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# HOME INDUSTRIES.

BY

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## HOME INDUSTRIES.

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JUST now there is a distinct gravitation of capital in the direction of Home Industries.

In all directions Home Industries are being offered to the public for investment; £80,000,000, we are told, has been invested in breweries alone during the last three years. Apparently the press is alarmed at this taste of the public for home investments; but I think that in this matter, as in many others, the press is an exceedingly poor guide. Instead of home investments being disparaged, I think that, in the interest of the public, they ought to be encouraged in every possible way.

The severe strictures of the press on unions, amalgamations, trade combinations of all kinds are more remarkable for what they omit than for what they advance. They are rather like the play of Hamlet with the character of Hamlet omitted. They denounce the agencies that promote these trade combinations, and they lecture the public who invest in them; but they entirely ignore the producers in whose interests these combinations are made. But they are rather an important element in the transaction. "The fun can't begin till I come," said the man who was going to be hanged, and there can be no fun in any combination, or union, till the producers come in.

Generally speaking, producers don't form Trades Unions, or amalgamations, or combinations, or whatever they may be called, because they like them; but because they can't help them. They would probably prefer working independently if they could, but they can't; excessive competition, home and foreign, has forced the price at which they can sell below the cost at which they can produce: the only possibility, therefore, of working to a profit, is by regulating competition in some

way or another. They know they can't regulate foreign competition, that is sacred; but they can combine to regulate home competition—therefore they combine.

Oh! but, say the press in solemn tones, "Public Opinion" is against such combinations, they are immoral! Indeed! I should like to know why? Of course we all know what Public Opinion as interpreted by the Press really is: it is very often, indeed most often, the individual opinion of a professional press writer; it may be quite uninterested, or it may possibly be interested: the writer may know something of the subject he is writing about; or, as indeed sometimes happens, he may know absolutely nothing at all about it.

Public opinion, in nine cases out of ten, is the individual opinion of the writer, nothing else. It is the old story: Public Opinion and Providence are hacks whose riders urge them in any direction they like. One clergyman calls on Providence to send rain to make his congregation's turnips swell. His neighbour calls on Providence to send dry weather to enable his congregation to get in their hay. One paper says Public Opinion is in favour of Home Rule—another paper says Public Opinion is in favour of the Union. Now I should like to ask those who talk about the immorality of unions, amalgamations, &c., a few simple questions.

In nearly every case combination is forced on the producers by over competition: they combine because competition has driven the price of what they produce below the cost of producing it. Now, does the public assume the right to compel any body of producers to continue to sell below cost? Do they deny the moral right of the producers to combine to raise the price of what they produce to a point at which it will yield a profit? If they do not, what does their indignation mean? Where does the immorality commence? Common sense tells us that there is no immorality in producers combining to raise prices to a point at which they will yield a profit. It is merely an act of self-preservation; and, if they may combine, what law is there, written or unwritten, that forbids their combining in the way most likely to have the effect they desire? The Public, of course, can decide on what price they will pay; but it is absurd to argue that they



can decide at what price the producers shall sell. In order to do this they must know the cost of production, and that they cannot know, not even approximately. Is it immoral for workmen to combine to demand an advance in wages? Is it immoral for employers to combine to resist an advance in wages? Why, then, is it immoral for employers to combine to advance prices? and if they may combine to advance prices, who is to dictate to them the way they are to combine? Unless they are fools, they will combine in the manner most likely to effect their object. The immorality, I suppose, is in the combination: it cannot be in the way in which it is carried out.

I don't for a moment mean to argue that in all cases trade combinations will benefit those who combine. If combination does them good, they are quite right to combine. If it does them harm, they are quite wrong to combine: it is a matter entirely for their own judgment and decision, with which outsiders have absolutely nothing to do.

"Combination will raise prices and reduce consumption," says one wise man: "Combination will bring in the foreigner and lower prices," says another wise man: but, of course, both wise men can't be right — combination can't raise prices and lower them too! The fact is that the public, as I said before, is very selfish. They applaud the unselfishness of producers so long as they see them trying to cut each other's throats; but they denounce their selfishness the moment they see them shake hands!

In nearly every industry foreign competition fixes the price: all that combination can do is to prevent the foreign price being driven still lower by excessive competition at home. Combination is only another term for co-operation: it is the co-operative system as applied to productive industries—that is all. As for its being immoral, it is as immoral as co-operative stores, as railway amalgamations as erecting improved plant, or opening new premises.

But it is contrary to the sacred dogma of Free Trade, we are told. This is new to me. Does Free Trade lay down a law that producers are to produce at a loss? and if the only

way they can avoid producing at a loss is to combine, does Free Trade say, combination is immoral? What nonsense! No! combination is not immoral; but I think I know what is immoral.

It is immoral to encourage foreign competition at home and check British competition abroad.

It is immoral to cry peace, peace, when there is no peace.

It is immoral to thank God for the blessings of Free Trade when we know as a fact that we have not got Free Trade at all.

It is immoral to write down sound investments in England and to write up bogus investments in Laputa.

But everything is immoral that is contrary to common sense; and if there is one thing in the whole world that is more completely contrary to common sense than any other, it is our ridiculous system of one-sided Free Trade.

Syndicates or agencies that are invoked to assist the combination of producers are also denounced as immoral. But this appears to me absurd. In many cases combination can only be effected through the medium of a syndicate or agency of some kind.

A syndicate, as I understand it, is an unregistered partnership in which a certain number of men combine to promote some commercial or financial or benevolent operation. During the last few years they have become factors in almost every commercial undertaking. Very often, generally, in fact, they are simply speculations.

Is speculation immoral? A certain number of clever men, too clever by half, as events have proved, formed a copper syndicate. They foolishly agreed to buy up all the copper in the world for a period of years, at an exorbitant price, calculating on being able to resell it to the public at a still more exorbitant price; but, curiously enough, they overlooked two very important factors in the operation: they forgot that copper was an unlimited deposit, and that exorbitant prices would certainly develop new sources of supply; and they forgot that exorbitant prices would check consumption. The consequence was that the speculation was a failure, and the syndicates have been heavy losers.

There was nothing immoral in the speculation, for some of the leading financial houses in Europe were engaged in it; only the speculation proved to be a very foolish one.

The syndicates for promoting combination amongst Home Industries that so exercise the press at this moment, are of a totally different kind. They are merely agencies for buying and selling industrial properties: they are in no sense whatever holders of properties. They buy in order to sell again at once, and, in fact, they do not buy till they are certain they can sell again, or, indeed, till they actually have sold. The manufacturers are willing to sell at a certain price, and the public are willing to buy at a certain price, and the business of the syndicate is to arrange what this price is to be. The Syndicates are, in fact, the agents who bring the public and the manufacturers within touch of each other. They do for the manufacturers and the public what the manufacturers and the public cannot do for themselves.

Of course they make a profit by buying and selling: they would not buy and sell if they did not. The profit may be large or it may be small, that is a question for the buyers and sellers, with which the public have nothing whatever to do. But in this case the profit is necessarily limited by the conditions of the transaction. If the agents name too small a price to the manufacturers, of course they will not sell. If they name too high a price to the public, of course they will not buy. A reasonable balance must be preserved, or the transaction comes to nothing.

The public are unreasonable; they want to eat their cake and have it too. They have forced one-sided Free Trade on the British producers in order to secure a cheap foreign supply to the British consumer. They say to the foreign producer, "Send us everything you can produce raw and manufactured, and we will admit it into our markets duty free. We will do everything we can to ensure your being able to sell in our markets as cheaply or cheaper than our own producers; we will give you through rates of carriage; preferential rates of carriage. We will allow you to adopt the bonus system. We will in fact help you in both ways. Not only will we take care that you shall sell your produce cheaply

in our markets, but we will allow you to exclude all English produce from your markets."

Well, having done all this in favour of the foreign producers, the public is now indignant with the British producer because they combine to do what best they can to save themselves from ruin. They encourage the foreign producer to attack the English producer by every means in their power, and then they turn round on the English producer and actually deny him the right to defend himself. Now this is immoral if you like it. If not immoral, it is exceedingly stupid, and very selfish, and very ruinous.

Now it is a fact beyond any doubt whatever that there is not a single industry in England that can long withstand foreign competition, and home competition combined, without coming to starvation prices.

If the public insist on encouraging foreign competition, British industries must sooner or later combine to put a stop to home competition. They cannot stand both—this is a certainty.

Owing to lower wages, longer hours of work, less taxation, better technical education, thrift, the bonus system, preferential rates of carriage, &c., &c., there is scarcely a single manufactured article that cannot be sold cheaper, in English markets by foreigners than by Englishmen themselves. Those, therefore, who advocate the doctrine of the "survival of the fittest" in productive industries advocate the "survival" of the foreigner in preference to the survival of the Englishman, because under existing economic laws the foreigner is apparently the fittest! But this means the gradual, and in many cases rapid, destruction of British industries.

Paper is one of these manufactured articles. Owing to combined foreign and home competition, the price of British paper has, for some time, been down to cost, or below it. Of course this can't last. Either the price of British paper must rise, or British paper makers will cease to produce it. "All production that does not pay cost ceases," says Bastiat; and this truism British paper makers are beginning to realize. "If foreign competition, and home competition



combined, compel us to sell below cost " they say " we shall soon cease to produce. But our industry is a very considerable one. There are many thousands of us, workmen and employers, directly dependent on it; there are many thousands more indirectly dependent on it, and we don't want to cease to produce. On the contrary, we wish to devise some means by which we can live and thrive. We cannot get rid of foreign competition because our moonstruck legislators have bound us hand and foot on the altar of Free Trade, and watch with absolute indifference our foreign competitors putting their sacrificial knives into us; but we can, to a certain extent, regulate home competition, and this is what we must try to do."

Professional economists have no mercy whatever. They don't care twopence about British industries or British workmen; they will not allow that blood is thicker than water; not they! They thank God they are too cosmopolitan to entertain such nonsense. The "survival of the fittest" is their gospel; and whether the fittest is a countryman or a foreigner is a matter of absolute indifference to them. I declare, I believe, that with many of them their sympathies are with the foreigner rather than with the Englishman; they give less trouble.

There is nothing so selfish, so absolutely selfish, as the attitude of professional economists towards labour, and towards the producers generally in this country. They have neither sympathy for, nor interest in, labour, in any degree. When do you hear any of them express regret at our land going out of cultivation, our agricultural wages sinking to 9s a week, or our manufacturing industries working without profit? Never. They talk and act as if these things did not concern them at all. The well-doing of those who labour does not influence their theories. The only concern they have is to buy cheap—cheap and nasty very often, but at any rate cheap.

We are often told the producers owe a duty to the public; but I cannot see it. The fact is that the producers owe the public nothing whatever—absolutely nothing. And if now they combine to protect their own interests, in any degree, to the disadvantage of the public, the public have only them-

selves to blame. The whole spirit of over-competition, of excessive cheapness, is selfishness. Never mind what an article costs to produce; never mind what blood and sweat, what lives are consumed in producing it, only let us have it cheap! cheap! cheap! That is the silly cry of the public, who, like that mysterious young lady, the horse-leech's daughter, are never satisfied.

But all this is somewhat beside our subject; let us return to our muttons—our muttons in this case being the paper-makers.

“Well,” say the paper-makers, “we are and have been for some time, selling below cost. What are we to do? We cannot regulate foreign competition; but if we can only agree amongst ourselves we can regulate home competition. Let us do so: half a loaf is better than no bread!” And so they announce their intention to combine, and raise prices to a point at which they can live and thrive. Immediately the newspapers are in arms, words fail to express the intensity of their horror and disgust at such unhallowed conduct. Eyes and hands are piously upraised to heaven, invoking Divine vengeance against such economical immorality! “Good God!” say they, “is it to be tolerated that these paper-makers, whose business it has been for years to supply us with paper below cost price, should now venture to ask a profit on it? If such an outrageous demand is conceded to them, where will the mischief end? Everywhere, in all directions, in every industry, we shall have producers demanding a price at which they can live and thrive. What would happen to the country if every producer made a profit on what he produced? Never! *Fiat injustitia ruat cælum!* Welcome the deluge; but death to combination!”

“Why!” exclaims one leviathan, whose nett profits are generally stated at £80,000 a year, “why a rise in the price of paper, such as the paper-makers propose, means a loss to us of £3000 a year! actually three thousand golden sovereigns a year taken out of our pockets! Positively, instead of having £80,000 a year to spend, we shall only have £77,000! Will the country tolerate such an injustice? Never.” Well, certainly it does look like a case of real distress—of bread

and cheese, at the very least. Three thousand a year taken out of Leviathan's pocket! It is shameful; worse than robbing on the highway.

But to the outsider the question may possibly occur—Ought this £3000 ever to have gone into Leviathan's pocket at all? If this sum represents the profit resulting from a combination to compel the paper-makers to supply them with paper below cost price, have they any right to it? The robbery would almost appear to have been on the other side. It is not *pro bono publico* that the few should be enriched, beyond the dreams of avarice, at the expense of a large number of those who labour. It is not for the public good that a Leviathan journal should be able to raise its profits from £77,000 to £80,000 a year on the ruin of the paper industry. It is not for the public good that capital and labour should be employed without profit, in order that a few millionaires should make a few more millions. The poor journalist with his £80,000 a year profit appealing for sympathy against the exactions of the paper-maker is rather comical. Poor Leviathan who has not got his paper-maker to devour is as much a subject for real sympathy as the poor lion who had not got his martyr.

As a matter of common sense, have journalists who make enormous profits any right to expect the paper-makers to continue to supply them with their paper at a loss to themselves? For years the paper-maker's loss has been the journalist's gain. They have actually been supplying him with paper at cost price, or under; virtually they have been impoverished in order to make his millions. But, of course, that can't continue, and, indeed, is it right that it should continue? I think every man of common-sense will say "certainly not."

I declare I think that the newspapers have a little overdone it: instead of putting the paper-makers in the wrong, they have put themselves in the wrong. They have in a sense let the cat out of the bag: they have, at one and the same time, drawn attention to the screw they put on the paper-makers, and also to the screw they put on the public. The public see

that whilst the paper-makers make no profit, the profits of journalism are enormous; instead of establishing a case against the paper-makers, they have made out a clear case against themselves for sacrificing the fair interests of others to their own enormous profit. As a matter of common sense, is not £80,000, or £70,000, or £60,000, or even £40,000 rather a large profit for a newspaper to make out of the public? Would not £30,000 a year, or £20,000, or even £10,000 be a very magnificent return for the capital invested in these undertakings?

For my part I declare I do not see that journalists are such an exceptional blessing to the world we live in, that a whole industry should be sacrificed to add to their pile.

The great newspapers combine to make the paper-makers supply them with *printing* paper at cost price, or below it; but how would they like to be compelled to supply the public with *printed* paper at cost price or below it? How long would they do it? How long would it be before their penny papers ran up to twopence or threepence? But, poor fellows, we needn't harass ourselves about them; it is in vain they appeal *ad misericordiam*. Whatever these audacious paper-makers may do, they won't suffer. Their £80,000 a year is quite as safe as if it was in the Bank of England. They need not raise the price of their papers to the public; an advance of one-half per cent on their advertisements will amply recoup them for any possible rise that can take place in the price of paper.

But of course this is only the fringe of the great question that Free Trade theorists have forced on the community. They have been preaching from the house-tops that the interests of the consumer are distinct from, and often opposed to, the interests of the producer. Is it strange, therefore, that the producer should, at last, maintain that his interests are in many cases opposed to, and distinct from, the interests of the consumer? The consumers combine in every way in their power, by stimulating foreign competition, and by stimulating home competition, to reduce prices. Is it to be wondered at that at last, at the eleventh hour in fact,



the producers should combine together to maintain them? Was it not a certainty? They must do so in fact, or they must cease to produce.

The public are like a flock of silly sheep in this matter of excessive competition (as alas! they are indeed in many other matters!); they are shocked at the horrors they see increasing around them; needlewomen stitching their own shrouds, poor things! the sweating dens of the East End, the disgrace of pauperism: the horrors of the nail and chain industries, &c., &c., but whilst they piously declaim against the effect, they positively decline to face the cause: and what in every case is the cause?—over-competition. What sense is there in complaining of the ravages of typhoid fever, if you obstinately decline to have your drains put in order? Everywhere there is a league amongst consumers to live and thrive, as far as possible, at the cost of the producers. This has gone on long enough. There is a movement, I am thankful to say, amongst the producers to live and thrive at the cost of the consumers.

So long as only one or two industries suffered the disease passed unnoticed; but now, when every industry is working at a minimum profit, or at an actual loss, the movement is assuming importance. We read of Corn Law Leagues, Land Leagues, Labour Leagues, Leagues of Patriots, miles of leagues in fact. Well, now, I believe the time is approaching when the *Producers' League* will take its place amongst them; when producers all over the country will combine to support and assist each other in the contest against ruinous and excessive competition. In my opinion it cannot come too soon; we have already waited too long.

It does not follow that in every case foreign prices are really below home prices. Very often the threat of foreign competition is only held up as a bugbear to frighten English producers to take lower prices. A large consumer invites tenders from a dozen manufacturers, quoting at the same a very low foreign price. Very often this foreign price is entirely a fictitious one, has no real existence whatever: *but it answers the purpose of establishing a very low standard below which the home producers must compete.* The only way to meet

unfair combination of this kind is by counter combination. "*À corsaire, corsaire et demi.*" To combination, combination and a half. The immorality in this case, is not with those who retaliate, but with those who make retaliation unavoidable.

The sooner combination puts an end to reckless competition and maintains a price at which the employers and workmen can live and thrive, the better for everyone: even the consumers. Our economists, don't like combination: it is the last straw they say drowning industries clutch at. On the contrary I look upon it as the lifebuoy on which the drowning producer will be saved from destruction. Combination is the only resource left to them against impossible competition forced on them by unjust economic laws. If the foreigners are carrying on a war of extermination against us, and we at the same time are carrying on a war of extermination amongst ourselves, evidently ruin becomes a certainty.

It is a mockery, and a gross deceit on the working classes, to advocate the "survival of the fittest," unless at the same time it can be proved, beyond all doubt, that in all points the industrial advantages of English producers are on a par with the industrial advantages of foreign producers. Now, we all know that under existing economic laws these necessary conditions of equality do not exist; but very much the reverse.

Economists boast of the extraordinary sagacity that enables them to see through a brick wall, whereas in reality they never quite see the length of their own noses! The "survival of the fittest," is their cry. "Strong industries will survive," they say. "If foreign competition and home competition kill weak industries, so much the better; let them die and be — !" But this is not common sense. An industrial country, with a superabundant population, cannot afford to part with any industries, even the weakest: it needs them all: more industries, not fewer. If an industry can live and thrive without combination, so much the better for that industry; but combination is preferable to starvation. It certainly is preferable to extinction.

The wealth of a nation is the value of what it produces; if the value of what the nation produces declines, the wealth of the nation declines also. If the value of what the nation

produces falls below the cost of producing it, the nation is losing money, and this is actually the condition of many of the great industries of the country—the value has fallen below the cost of production, and they are losing money. The ruinous extent to which this is the case is not realized by the public; it is concealed from them under deceptive returns; official figures, false deductions, and sounding platitudes.

We are doing what, in every other economic transaction of life, would be denounced as madness, giving away our capital with both hands. Coal, iron, slate, and salt are the capital of the country. The quantities of each, whether great or small, are limited. They can never be renewed. Once gone, gone for ever. Well, it sounds impossible! It so brands us as a nation of lunatics! But it is nevertheless true, that we have actually been at the expense and labour of getting our coal and iron and slate and salt and have given them—yes, have given them, with both hands to our foreign rivals, actually at a less price than we have paid to get them! And now, because those who own our coal, and iron, and slate, and salt perceive their suicidal error, and declare they will no longer give away these valuable products below the cost of getting them, they are denounced as monopolists, and the powers of Parliament are actually invoked against them, to compel them to continue to sell below cost price!

For several years the salt miners and coal miners have been selling coal and salt below the cost of getting them, and now forsooth, because the former have combined to raise salt to a price at which they and their workpeople can live and thrive, they are threatened with the interference of the law. Was there ever such national stupidity? Could the silly fellow of the fable who pulled down his chimneys and bricked up his fireplaces, because the almanac told him it was June, proclaim his folly in more ridiculous fashion?

One great advantage that I hope will result from the increasing popularity of home investments will be that the numbers interested as producers will be very largely increased. Consumers will more directly realize the interests of the producers when they become producers themselves; producers and consumers will, in fact, have a common interest, and

this is of immense importance. At present it is open to the consumer to argue that cheapness is the *summum bonum* of national happiness; that cheapness comes before all things; but he will not say so when he finds he is in some degree a producer himself. He will then realize that although it is of the utmost importance that he should buy what he consumes cheap; yet that it is also of the utmost importance that he should sell what he produces at a price at which he can live and thrive.

At present the consumers do not see this. They are truly selfish. They have no bowels. They neither know nor care anything about wages, or the employment of the people. The "flesh and blood" and "live and thrive" argument does not concern them in the least. "We deal in money," they say, "We buy: we don't produce. What we want is to buy cheap, cheap, very cheap; below cost if we can." It is of no use saying to them, "But if you continue to force the producers to sell below cost you kill the industry." "What do we care," they reply, "we will buy from the foreigner."

Now this, of course, puts them entirely out of court. If they hold foreign competition as a rod over the British producer's back, they can, perhaps, drive him, but they cannot expect his willing services.

Combination to reduce the output of coal, in order to raise prices, has been a stock argument with the colliers for years. The workmen in many industries have long urged the masters to combine; when the latter have said, "We must reduce wages because prices are so low," the workmen replied, "why then don't you combine amongst yourselves to keep prices up; it is entirely your own fault." The masters are beginning to realize this fact, and, of course, the workmen are very pleased. Combination amongst employers, in fact, is rapidly becoming a workman's question, and, indeed, the great question for the country is not how this movement will affect the manufacturers, or how it will affect the gentlemen with fixed incomes, but how it will affect the great mass of those who eat their bread in the sweat of their face. It is on them that the pressure of excessive cheapness first begins to tell, and tells with the greatest severity. Combination



appears to be the bogey of our economists ; but it is a bogey of their own creating. Combination amongst producers is the result of artificially stimulated competition, for which our economists are directly responsible. In their alarm lest English producers should find an escape from the dilemma of foreign competition and home competition, they even go the length of proposing that combination should be forbidden by law. But this is absurd. How can the law prevent a man selling his property to anyone he pleases ? Or how can the law prevent anyone buying a property if he wishes to do so ?

Combination does not by any means imply exorbitant prices. It could not effect this, even if that was its object. Foreign competition will always prevent exorbitant prices in any industry in this country. The object of combination is to steady prices, to harden them, to restrict competition to two prices, in fact, the home price and the foreign price.

If the process that was carried out in the Salt Union, by which one hundred individuals at least have become interested in the salt industry, for everyone who was interested in it before, is extended to other industries, which appears very probable ; the number of capitalists, great and small, directly interested in the industries of the country will be enormously increased, to the great advantage of the industrial interests of the community. When they find themselves shareholders in the industries of the country, and realize that they are both producers and consumers, they will see that it is as much their interest to sell what they produce at a fair rate, as to buy what they consume below cost price ; then they will begin to realize that cheapness is not the whole law and the prophets, that " Live and let live " is the only possible motto for an industrial community.

If these combinations, or more properly distributions of interest, become popular, the same result will influence the manufacturing industries of England that have influenced the agricultural interests of France. In France four million of the population have shares in the land, and consequently the voice of the land can always make itself heard. Before long, if investments in home industries become popular, we shall see four million shareholders in our manufacturing

industries, and that will give them considerable additional strength.

The change that is now, I believe, taking place with regard to our manufactures will, I hope, soon take place with our land—indeed it must. Whilst in France, as I have said, there are four million shareholders in the land, in the United Kingdom, we are told, there are only thirty thousand—one to 133; in other words, for one who is directly interested in land in England 133 are directly interested in land in France. It is of the utmost importance to the well-being of the State that the great industries of the country, manufacturing and agriculture alike, should be sources of interest and profit to the greatest number.

There are rival combinations at work—combinations to secure unreasonable cheapness, and combinations to secure reasonable profits. Now, each of these objects is advantageous to the community if kept within bounds; but very injurious to the community if carried to excess. It is quite wrong that the consumers should suffer from the selfishness of the producers; but it is equally wrong that the producers should suffer from the selfishness of the consumers; and this is what is actually happening. Consumers are quite as selfish as producers, and quite as unreasonable. Our economic system of unrestricted Free Trade is virtually a combination amongst the consumers to force down the price of the producers; in the eyes of the consumers this may appear not only reasonable, but praiseworthy; but it must be evident to everyone that sooner or later such a combination amongst the consumers is sure to create an opposing combination amongst producers; and, economic laws notwithstanding, producers must live and thrive. If they can't they will turn and rend somebody! It may appear ridiculous to the Cobden Club to say so, but, nevertheless, it is a fact that good prices and good wages are ten times of more importance to the community than low prices and low wages—and this is always the relation between prices and wages. Low prices, sooner or later, must bring low wages. You want low prices, you say to the economist. "Certainly," is the reply, "the lowest prices, below cost if possible." But low prices mean low

wages. Do you wish low wages? "God forbid," is the pious reply. Then why, in God's name, do you advocate a process that must entail the result you say you abhor? Of course, the most certain means of securing the greatest amount of happiness to the greatest number is the distribution of wealth amongst the many; and the most certain means of diminishing the happiness of the greatest number is accumulating wealth in the hands of the few. That community cannot be happy in which you see an immense majority miserably poor, and a very small minority inordinately rich. The only sound way of effecting healthy distribution of wealth throughout the masses is by wages, by employment.

The greater the amount paid in wages, the more capital gets distributed amongst those who work; the less the amount paid in wages, the less the capital distributed amongst those who work. High wages, therefore, to a considerable extent assist the distribution of wealth. Low wages diminish the distribution of wealth; and as the distribution of wealth is the great source of happiness, high wages are the great source of happiness. And so they are. But in considering the influence wages exercise on the well-being of the masses, it would be quite wrong to consider it entirely as a question of amount. Steady wages are in reality of far more importance to fluctuating, occasionally very high, wages. Nothing so stimulates extravagance, and is so fatal to thrift, as fluctuating wages—men earning 5s a day for six days a week for six months, and only earning 2s 6d a day for four days a week for the succeeding six months. One of the greatest advantages that will result from the process of combination that is now going on in so many industries will be a steadying, and probably an increase in, wages.

Now I think I am warranted in assuming that no one in his senses, no one who understands the A B C of the interests of his country, wishes to see wages diminished; on the contrary, he wishes to see them raised wherever it is possible. Evidently, with starvation prices, a rise is not possible. Good wages mean a contented community, low wages mean a discontented community. In many industries competition is

so keen that the present rate of wages cannot be continued. Unless the masters combine the men's wages must fall. But, it is of no use the men combining to keep up wages unless the masters combine to keep up prices; nothing that the men can do can prevent starvation prices bringing starvation wages. If pressure is put on the producer to sell very cheap, the producer is compelled to put pressure on the operative to work very cheap. He cannot help it; he must do it. He cannot reduce the cost of the material he uses beyond a certain point, and when he has reached that point, and the pressure to reduce prices continues, he must reduce wages or stop producing. The operative class know this well enough. These amalgamations that are viewed by the economists with such suspicion are regarded by the operative class with the greatest interest. "It is our only chance," they very justly argue. "If the public combine to knock down prices, and we the workmen combine to keep up wages, the manufacturers must combine to keep up prices, otherwise they must come to the ground between two stools." And this argument is quite sound.

Unions, amalgamations, combinations are brought about through the agency of syndicates in some form or another. They are merely a variety of the most universal of all human instincts—"self-preservation." They represent the natural efforts of our industrial community to protect themselves against ruinous competition. In the existing condition of trade they mean "home" protection—neither more nor less. They originate *in* a trade, not out of it. Their *raison d'être* is very simple. Forty or fifty English manufacturers are cutting against each other at home, and forty or fifty foreign manufacturers are cutting against them at home also, with the result that prices are eventually driven below cost. This won't do, say the manufacturers. If this double competition continues, say the producers, we shall be ruined. We must, as an act of self-preservation, take some steps to regulate it. It is our only chance." First of all they try the old plan of agreement amongst themselves to keep up prices and regulate production; but in ninety-nine cases out of a hundred this attempt breaks down, owing to the necessities of some of the poorer firms, who must get money. When these agreements



break down they always cause recrimination and mistrust, and generally end in lower prices. To judge by what I read, the public seem to think that combinations to maintain prices and regulate production are novelties. Why, they have existed in every trade and industry, under some form or another, since the days of Tubal Cain !

The manufacturers now realize that these agreements are of no permanent use ; that, in fact, they do more harm than good, and as their wants are more urgent than they ever were, they have been driven to a combination of a different kind. Temporary combinations are proved to be of no good ; and therefore they have now decided to try permanent ones. The scheme most popular is, in some shape or another, to form a union, and combine all their works in one company.

It is urged that the public — the consumers—suffer by these combinations. But the public cannot suffer from exorbitant prices, because they have protected themselves against exorbitant prices, by insisting on absolute Free Trade. The foreigner is certain to step in if prices rise too high. But, on the other hand, the producer will to some extent be protected from the ridiculous and ruinous position of being compelled to sell below cost.

Of course there is no more certain fact in political economy than this, that any industry that does not pay the cost of production must sooner or later cease. No industry can be continued if it does not pay cost. When any industry ceases to produce, the supply goes entirely to the foreigner ; but before this happens, before an industry altogether ceases, it goes through a phase of starvation prices, and starvation prices are the ruin of labour.

Capital invested in home industries means, of course, capital employed at home. Capital employed at home means labour employed at home. Capital employed abroad means labour employed abroad. I know our cosmopolitan economists don't care for this difference. I do. They maintain that labour employed in Belgium or Yokohama is as profitable to England as labour employed in Lancashire. I don't. As long as I live I shall believe, and shall always maintain, that it must be better for the wage-earning class of the community that

the capital of the country should be employed at home than that it should be employed abroad.

It must, of course, be much easier to ascertain the true value of an investment in Lancashire than it is in Laputa! If you have £100 or £1000 invested in any concern in England you can go down and on the spot judge for yourself the value of your security; but if it is in Laputa, how can you know anything? How can you even know that it exists? I see over one hundred foreign mines are quoted daily in the papers. Some of these may be very good—how many I should be sorry to guess—and some are certainly very bad; but good, bad, or indifferent, what can the English investor know of them of his own knowledge and observation? Nothing—absolutely nothing! For all practical purposes nine-tenths of these might be in Laputa.

Hitherto the home investments that have been offered to the public have been offered at a rate of interest that considerably exceeds the average rate of foreign investments. I believe I am perfectly justified in saying that every home industry that has been offered to the public by responsible financiers has fulfilled the representations of its sponsors. I don't mean to say that they have, in all cases, fulfilled the expectations of the jobbers and speculators, but I mean that they have fulfilled the just expectations of *bona fide* investors. When the public have been assured, by responsible agents, that such and such home investments will pay 7 or 8 or 10 per cent., I believe they have done so. The small rate of interest that will satisfy investors in home industries in which they have confidence is remarkably illustrated by the present price of Guinness Brewery. The public are actually buying these shares to pay  $4\frac{1}{2}$  per cent.

Now, there are scores, I may say hundreds, of home investments that would pay the investors six or seven per cent., and be quite as safe as Guinness shares.

The idea has been circulated that, generally speaking, home industries are only offered to the public when they are shaky and the owners want to get out of them. Now the fact is that for one shaky home investment there are fifty shaky foreign investments put on to the market.

It does not follow from this that the home seller is more honest than the foreign seller. It only follows that false statements can be more easily detected at home, than they can be detected abroad. There are always many sufficient reasons at work to justify a manufacturer in getting rid of his industry, though perfectly sound and profitable. He may have £100,000 invested in plant and machinery and works, but he may be getting old, and may not wish to leave all his eggs in one basket. He may wish to realize for his children : he may feel uneasy about future management, where success depends entirely on management. His business may require more capital, larger plant, newer processes, and he may think it wiser to let others find more capital than find it himself—so he sells his works, plant, &c. to a company for cash, or shares, or debentures, as the case may be. His eggs are then no longer all in one basket. Half is still in the basket perhaps ; but the other half is in his own pocket. He may retain his investment in the industry, or even increase it, or he may sell his shares, and have nothing more to say to it. In every way his position is improved : he can exercise an option ; he can realize his capital ; which before he could not do. As one of a private firm, or even as one of a small private company, he has no chance of realizing his capital, not the slightest ; but as a shareholder in a large public company, a price for his shares will be quoted on the Stock Exchange, and he will be able to buy and sell as he pleases. Viewed in this light combinations are merely an extension of the limited liability principle : in fact it very often is the only possible way in which the manufacturer can limit his liability.

Now any of these reasons are sufficient to account for a good paying business being disposed of to the public. If a business with a capital of £100,000 is offered to the public that on careful examination can be proved to be able to pay eight or ten per cent., is it not a good thing for the public ? It means that two hundred, or three hundred or more, shareholders will get eight or ten per cent. for their capital, instead of only five or six partners. There are scores of sound industries in the country earning from seven to ten per cent., and whenever these investments are offered to the public

under reasonable guarantees, I think the public will be very foolish not to jump at them.

I see it is objected in some quarters that these amalgamations will put too much power in the hands of the workmen, who are already too powerful, and make strikes more frequent. I think, on the other hand, it will make strikes very much less frequent. The workmen of any particular industry will form one large body, instead of thirty or forty small ones; and as in all cases the greater the number the greater the leaven of common sense, I believe that the opposition of the workmen, when it does take place, will be more reasonable and less suicidal than it often is at present.

As far as one can judge, Home Industries offer a safe investment for small capitalists.

Suppose a syndicate or agency buys twenty, thirty, or forty works from a hundred or two hundred individuals, and immediately resells them to five thousand or ten thousand other individuals in £10 shares. At once the number of persons interested in those industries is increased a hundred or perhaps two hundred fold. If the investment is a good one this process must be distinctly of advantage to the public. It opens out the industrial investments of the country to small capitalists, and this is the very thing that is wanted. In reality it makes corners and rings impossible. A ring is possible when an industry is entirely in the hands of twenty or thirty individuals, but it becomes impossible when the consent of five thousand or ten thousand shareholders has to be secured. A large number of small capitalists makes monopolies almost impossible. Now, this is very important—the admission of the public. In my opinion the advantage of opening out the industrial investments of the country to a number of small capitalists cannot be exaggerated; it gives a strength and power to an industry that it cannot attain without it.

At present the small capitalist says, "Such and such a trade is a good one; it pays 6 or 7 per cent. and is secure; but it is a close trade: cannot share in it, unless I go into it on a very large scale: I cannot invest £10 or £20 or £100 in it." Under a system of great industrial companies he will be able to do so. There are now four thousand shareholders

in the Salt industry, whilst before the union there were probably not two hundred.

My impression is that these combinations will open the industries of the country to a very large number of small capitalists. That they will steady prices. That they will steady wages. That they will, to a certain extent, relieve our industries from the curse of excessive competition. That they will give the English producer a better chance of standing up against foreign competition. That they will tend to restore the quality of our goods, which starvation prices have ruined. That they will eventually bring back a great deal of British capital, now embarked in bogus investments in "Laputa," to sound investments at home.

The capital of a country may be compared to the blood of the body; the more blood the more health, the more capital the more vitality. But if the body is to be healthy the blood must circulate throughout the whole body to its very extremities, or the limbs will drop off; and if a country is to be healthy capital must circulate throughout the whole industrial body to the very extremities, or employment will fall off. In the human body the circulation of blood means health; in the industrial body the circulation of capital means employment, and employment means health, and health means happiness; so the circulation of capital means happiness. The greater the circulation of capital the more general the employment, the more general the happiness. I apologize for repeating such platitudes. As the old "Fable of the Bees" tells us, the great art of making a nation what we call happy, is to give every one the opportunity of being employed. Employment means happiness, and capital means employment; so capital means happiness; but then, of course, to make this syllogism worth anything capital and labour must be united, capital must be employed in promoting employment; but alas! owing to our ridiculous fiscal policy, capital and labour are no longer united; they are divorced. Capital is rapidly passing from the hands of those who employ labour into the hands of those who do not employed labour. Forty years ago the capital of the country was very much less than it is now, but it was



chiefly in the hands of the agriculturists and the manufacturers, who employed labour; now it is immensely increased, but it is chiefly in the hands of the money dealers who do not employ labour. As employment depends on capital, so of course if capital is withdrawn there must be a shrinkage of employment; everybody has a less chance of being employed. The capital in the country is immense; for every sovereign there was in the country forty years ago, there are three sovereigns now; but this capital is being withdrawn from labour; and this causes stagnation and discontent. Foreign nations who want capital to stimulate their labour borrow it from us. We are actually withdrawing our capital from our own industries in order to lend it to foreign nations to stimulate their industries. English capital is being steadily, rapidly indeed, withdrawn from English labour to be employed on foreign labour. This is very shocking and very alarming, but it is true. We are told our foreign investments amount to £2,000,000,000; but this 2,000,000,000 is not the surplus accumulations of the country after all its own industries are fully provided for. It is, on the contrary, chiefly money withdrawn from British industries. The reason that English capital is being withdrawn from English industries, is very simple. English industries, agricultural and manufacturing, don't pay. If English industries paid, English capital would remain to encourage them. But English industries cannot pay without higher prices, and that is what our economist says we shall not have; on the contrary, greater cheapness. At present capital is flowing out of the country very fast, and to my mind it is impossible to conceive a more alarming condition of affairs than when capital is being generally withdrawn from home industries to be employed in foreign industries. It means the ruin of home labour. It is better, of course, that capital should be employed in the country than that it should be employed out of the country. If it can be employed to a greater profit in this country than it can in a foreign country, it will remain. If it can be employed at a greater profit out of the country it will flow out of the country. It is a certainty. It is better that money at home should be dear than it should be cheap. When it is

dear it remains in the country; when it is cheap it flows out of it. When money is dear it is a proof that it is wanted, and is being employed; when it is cheap it is a proof it is not wanted, and is not being employed.

When the millionaire represents employment it is all right, but when, on the contrary, he represents capital withdrawn from employment—then it is all wrong.

Of course, there will always be capitalists and workers; and the workers will always regard the capitalist with more or less jealousy, according as his capital is of more or less use to him. In the eye of the man who lives by labour, the only *raison d'être* of the capitalist is to give employment; if he does not do that he is odious. When English capital employs English labour, the English labourer may say, Well, I don't care much for this capitalist, any how, but as he promotes employment, he does us some good. But if English capital employs foreign labour, the labourers may say, This bloated capitalist not only does not give us employment, but he withdraws his capital from English labour and employs it on foreign labour. Just now, owing to want of employment, this feeling is getting intensified. Those who labour see capital withdrawn from English labour, and transferred to foreign labour. Now, to allow a state of things to continue which encourages or perpetuates this feeling of jealousy on the part of labour towards capital, is madness. The more we educate the people the more directly we call their attention to the awful inequality that exists in the distribution of wealth, and if we cannot prove to them by facts, by example, not by words, that capital in the hands of the few means employment for the many, they will begin to see in it an enemy; and, indeed, it is an enemy if the capital is withdrawn from them to employ their rivals. If they can be made to think that wealth is doing them good they will tolerate it; but if they see that in any way it is doing them harm, it will make them mad.

Of course, the great object to aim at in order to secure the greatest amount of happiness to the greatest number is the distribution of wealth, not the accumulation of it; the general distribution of capital amongst the masses, not the accumulation of the capital into the hands of a few dozen millionaires. But this is exactly what is happening.

Of course, the best use of capital is to promote employment, and that capital is best employed that gives most employment.

"Of all the ways in which capital can be employed," says Adam Smith, "agriculture is by far the most advantageous to society; no equal capital puts into motion a greater quantity of productive labour than that of the farmer," and therefore capital invested in farming is better invested than in any other way. But in England capital is being withdrawn from farming as much as possible. Now, farming is our largest industry, and a most remunerative one, and instead of increasing every year, every year it is shrinking. And yet we are told we are prosperous. I don't believe very much in figures, but still many do. We are told that our foreign investments represent about £2,000,000,000, and our land represents about £2,500,000,000. The £2,500,000,000 in land represents the capital, and income, and employment of many millions of our countrymen at home. The £2,000,000,000 invested abroad represents the capital, lent by us to stimulate the employment of many millions of our industrial rivals, abroad, not one single penny of which directly benefits English labour or English industries. I think there cannot be much doubt which most benefits England—the £2,500,000,000 invested in England, or the £2,000,000,000 invested abroad; but the alarming fact is that every year the £2,500,000,000 invested at home are diminishing, and the £2,000,000,000 invested abroad are increasing. Every year capital is being withdrawn from agriculture and invested abroad. Why is the £2,500,000,000 that is invested in the way that Adam Smith tells us is by far the most advantageous to society being withdrawn in order to add to the investment of the £2,000,000,000 that is of no advantage to society at all? For the very simple reason that, owing to the competition of cheaper countries, agricultural produce does not pay the cost of producing. This is the situation. The £2,000,000,000 invested abroad in loans, in industries, in undertakings of various kinds, pay; the £2,500,000,000 employed in British agriculture do not pay; and, therefore the former is steadily increasing, and the latter is steadily diminishing. There is no way of averting this process except by establishing a fiscal condition that will make agricultural produce yield a profit

The moment it is seen that the £2,500,000,000 is making a shade more profit than the £2,000,000,000, the flow of capital will be reversed, our foreign investments will be diminished, and our home investments increased.

Now, it is important the public should realize this alarming fact, that owing to the artificial cheapness produced by Free Trade every year more British capital is being withdrawn from British industries, and every year more British capital is being invested in foreign industries. Every year more land is going out of cultivation; every year more land is relapsing from tillage to grazing; every year cultivation is getting worse; every year the produce of the land is diminishing; every year our population is increasing; and every year there is less employment to be got. Now, is this depleting process to be allowed to continue? How do our theorists, our figure men, our economic fanatics—for they are fanatics, as much as if they maintained the earth was square—propose to treat it? How do they expect these things will end, for continue they cannot?

I suppose it is beyond a doubt that 30,000,000 at least of our population are, directly or indirectly, dependent on labour of some kind for their daily bread. That is to say, whilst 3,000,000 or 4,000,000 are independent of labour, 30,000,000 are dependent on labour. Labour is the only means of living of nine-tenths of our population, and yet in the face of this tremendous fact, our friends, the superior persons, say that nothing must be done to protect labour, that the question of labour must be left entirely to the natural law of supply and demand. Then in God's name let us follow the natural law of supply and demand; don't let us have an artificially stimulated foreign supply and an artificially restricted foreign demand. That is not the great natural law of supply and demand, but the very reverse of it. It does not require to be very sagacious to realize the fact that if 30,000,000 at least of our people are dependent on labour for their daily bread, it must be the first duty of those who rule them to see that their labour is not unfairly filched from them. The first duty of every Government is to do all in its power to give everyone the opportunity of being employed. In an indus-



trial community the whole gospel of prosperity is contained in the one word "Employment." If the rulers do everything in their power to protect and promote employment, all well and good. If they do not, if they allow vain theorists to experiment with the rights of labour, everything will go wrong. And everything is going wrong—going from bad to worse. "We will see that you can buy cheap," say the rulers to the workers; "but employment must look after itself. In other words, we will see that you can buy cheap, but we decline to take any steps to assist you in earning anything to buy with." But this is putting the cart before the horse. Cheapness does not secure employment, whereas employment does secure cheapness.

Here, as in everything else, the capitalist has the best of it. He has the whole world to invest his capital in; but owing to our one-sided economic system, the English worker has only his own country to invest his labour in. Foreign countries won't admit it. If the home market for the investment of capital fails, the capitalist sends his money elsewhere; but if the home market for labour fails the labourer is done, there is nowhere else to send it to. The English worker must find work at home or leave the country; and what I want to know is, by what right do the rulers make or sanction laws that force the people to leave their country? The object of all government, I have always understood, is to assist the people to live and thrive in their own country, not to drive them out of it. But this is what our one-sided system is doings for us. It is depriving English workers of work, and driving them out of their country. It has made England the cheapest country in the world. It has, indeed! So cheap that its workers cannot earn money enough to live in it. It is a two-edged sword that cuts labour both ways. I strikes it down equally in its own and in foreign markets. Formerly British capitalists would invest their capital in land, in farming, in manufacturing industries, but they won't do so now. They know they might just as well throw their money into the sea. They prefer Odessa Waterworks, or Yokohama Gas, or Lisbon Tramways—anything, anything but the industries of their own country. But yet their capital is as

necessary to the country as our blood is to our body. It is this capital that alone can keep our industries going, that can give employment to the millions who live by work. We talk of the blessings of competition, but it is like parrots who go on repeating a word in the same hard voice, without in the least knowing what it means. The competition we need is the competition of home labour, not the competition of foreign labour. The competition of foreign labour actually threatens to kill English labour; and to permit it to do so is madness. Employers and workers will compete at prices at which they can live and thrive; but how can they compete at prices at which they cannot live? We have competition, it is true; but, alas, it is competition from which English labour is excluded. Foreign workers compete amongst themselves as to who shall supply the English market. But English workers do not compete, the price is too low.

An example will illustrate my meaning. A few weeks ago a firm gave an order in Germany for £50,000 worth of labels at a diminution of 20 per cent. on the price hitherto paid in England, a price that was below English cost. The firm saved £10,000, but the working community, the paper makers, type makers, ink makers, printers, and the hundreds of industries connected with them, lost £40,000. If the order had been executed in this country the £50,000 would have remained in the country, giving employment to English labour; as it is, £40,000 has gone abroad to give employment to foreign labour. What happened on labels happens on everything else. I have now a price list before me from a German firm, established in 1873, with agents in London, Birmingham, and Glasgow, offering 70 articles of hardware at prices far below what they can be made for in this country; and especially inviting a comparison in prices with those of Birmingham and Sheffield. "Oh!" say our superior persons, with their noses high in the air, "our workmen ought to take 20 per cent. less wages, ought to be more thrifty, more sober," &c. I can't argue about this. I only see things as they are, not as they ought to be. The fact is enough for me, and the fact is that they will not work for 20 per cent. less wages, and probably cannot. When their rulers tell

them they ought to take lower wages, and work longer hours, they may turn upon them and say, "Thank you for nothing; we don't want your advice, we want your help. Instead of telling us we ought to take less wages, you ought to have protected us from the unfair competition that compels us to take less wages. You ought to have provided for our necessities before giving scope to your own vain theories. You ought to have assisted us to keep up our wages, instead of assisting the foreigners to force them down. You have been trying experiments at our expense, and now, when it is evident to all the world that your experiments have resulted in ruinous failure, you ask us to allow you to carry them on to the bitter end at our expense."

Cheap paper is of great importance to the public no doubt, but good paper is of much greater importance to them. One London Daily gives much better paper than any of its competitors, at an additional cost, we are told, of £6000 a year. Now does not this Daily benefit the public much more by spending an additional £6000 a year in good paper than other journals do by saving additional thousands a year in bad paper? Why in the item of spectacles alone the better paper will save the public many thousands a year!

I have often been surprised to hear clever men assume that the present depression in the labour market is only temporary, and will pass away. There is no mystery about the cause of the depression; it is low prices. It is because foreign labour can produce nearly everything at a lower price than English labour can produce it, and, therefore, English labour is standing idle. How can this be called a temporary cause? It can end only in one of two ways—either the cost of foreign labour must rise to the English level, or the cost of English labour must sink to the foreign level. Which is it to be? Which do the economists expect that they venture to call the depression temporary? Is it not a shame for them to tell the workers that the cause of their sufferings is only temporary, when at the same time they are doing everything in their power to make it permanent? But this is actually the case without any exaggeration. The reason why so

many English workèrs, agricultural and operative, are standing idle, and no man hires them, is that foreigners can sell nearly every article in our market cheaper than we can produce them. And instead of taking any steps to make them dearer, we are doing everything in our power to make them cheaper still. Cheapness, excessive cheapness, cheapness at any cost, is the watchword of the Free-Trader. Cheapness is the cause of our land going out of cultivation; cheapness is the cause of our operatives only getting four days' work a week. How, then, can Economists say the effect is temporary, when they are doing all in their power to prolong the cause?

The present depression in the labour market is not temporary; and it is a shameful deceit for Economists to practice on their poor dupes to tell them it is. The depression is chronic; it is increasing every day, and, from the condition of things, must continue to increase; there is no doubt about it. It is said there are signs that the depression is passing away; but how can that be so when every day more land is going out of cultivation, and every day the importation of foreign manufactured goods is increasing? The thing is impossible. The depression can only pass away when articles produced by English labour rise in price. Is there any reason to suppose there is going to be a general rise in price? Is there any prospect, any possibility, in fact, of the cheapness that is the chief boast of the Economists passing away? There is no such prospect, but on the contrary the reverse. Nothing, nothing, absolutely nothing can give the agricultural labourers more employment; nothing, absolutely nothing, can give the operative more employment, but higher prices. In the face of the competition of the cheap labour of the whole world, are higher prices possible? No; they are not. The only possible chance of a rise in price is a combination amongst English producers not to cut each other's throats; and that they are doing; and are being lectured for doing it. Cheapness is the cause of the depression. Are we doing anything to raise prices? No, indeed; we are doing everything we can to lower them still more. And yet we are told the depression is temporary.



What a shame ! Oh ! but, say the Economists, production is ahead of consumption, that's the cause of the depression ; in a short time consumption will overtake production, and then all will be right. Now, they must know as well as I do that in using this argument to the working classes about depression in England, they are practising a deliberate deceit. In America, France, Germany, Belgium, in fact in every country except England and Turkey, for Turkey and England are the only Free Trade countries in the world—what a reflection on Holy Free Trade !—this argument would be true, because they keep out foreign production, and when they find production exceeds consumption they have it in their power to reduce the former till the necessary equilibrium is restored. But Free Trade has deprived England of that power. She cannot reduce production in order to meet consumption. The 'remedy is taken out of her hands entirely. Over-production does not depend on her, neither can she regulate it in the very smallest degree. The over-production that is ruining her is not her own over-production ; it is the over-production of the foreigner, and against that she is helpless. The English market may be glutted with every article, and the price fall below cost ; but the English producer cannot reduce production by working short time till consumption overtakes production. He may cease producing altogether ; but the foreign manufacturers may still keep sending into his markets even larger quantities. But the foreign manufacturers would not sell at a loss, say the Economists ; but the fact is they do sell at a price that is a loss to English producers ; and that is quite enough so far as our labour is concerned. But more than this. England is the market for the surplus produce of the whole world. Wherever there is over-production in any part of the world the surplus comes to England. Foreign manufacturers habitually over-produce—by that I mean produce more than their own markets will consume—because they know they always have the English market open to them. Now, owing to our suicidal policy of one-sided Free Trade—for it is nothing less—we can never relieve ourselves of our own surplus production, because other countries will not admit it. Our

position, then, is an absolutely impossible one. We are entirely at the mercy of the foreign producers. We are forced to take their surplus production, and they decline to take ours.

In England the working classes are told that foreign competition represents the defence of the poor man against the tyranny of the rich; but in America it is the universal belief of the working man, without exception, that Free Trade is forced on the English workers by the aristocracy; so evident is it to them that the interest of the worker is protection to labour, that makes what he produces dear; whilst Free Trade is the interest of the rich, that makes what he consumes cheap. We are told to look at the seven-leagued strides in prosperity we have made under Free Trade. I fail to see them. I do not believe that there was ever more squalor or wretchedness in the country than there is now. I do not believe it possible. I do not believe there were ever more than 7,000,000 of the population toeing the line of pauperism. I do not believe there were ever more than 14,000,000 averaging only 10s a week. Considering that for every sovereign there was in circulation forty years ago there are three in circulation to-day, I say that our working classes have not advanced in prosperity in any degree with the increased capital in circulation. I believe, in fact, that under Free Trade the masses must get poorer, because they must get less employment. A well-known statistical work gives a comparison of the material progress of France under Protection and England under Free Trade. If there is any truth in figures, it ought to startle us from our Economic dream.

The comparison is based on the returns of legacy duty:—

In 1826, England was 10s a head richer than France.

In 1859, England was 19s a head richer than France.

In 1877, England was 5s a head poorer than France.

France has 57 per cent. of her land under tillage, and it is increasing every year.

The United Kingdom has 30 per cent. of her land under tillage, and it is diminishing every year; but the population of England increases much more rapidly than the population of France.

The commerce of England has increased 21 per cent. in 10 years.

The commerce of France has increased 39 per cent. in 10 years.

The commerce of the United States has increased 68 per cent. in 10 years.

The commerce of the world has increased 36 per cent. in 10 years.

Owing to the low cost of carriage, increased by preferential railway rates, the competition of French, German, Belgian, Austrian, Italian operatives, working in their own countries, for from 20 to 30 per cent. less wages, and for from 20 to 30 per cent. longer hours, is just as fatal to the British operative as if they were working at his own doors. What nonsense it is, therefore, for Trade Unionists to coerce British "knobsticks" for accepting 5 to 10 per cent. lower wages at home whilst they encourage the competition of foreign "knobsticks" who are working for from 20 to 30 per cent. lower wages, and for from 20 to 30 per cent. longer hours abroad !

The duty of Trade Unions, as I understand it, is to protect British labour ; to maintain at as high a level as possible the wages of British workers ; but they don't look beyond their nose when they regulate the price of home labour, and then invite the competition of the cheaper labour of millions of foreigners. It is absurd. If the Trade Unions will make it their duty to keep off the invasion of foreign labour, they will not have much difficulty in regulating the interests of British labour.

For every workman working at home, there are six or seven workmen working abroad, nearly all of whom can deliver their manufactured goods in the English market cheaper than the Englishman can produce them. What sense is there in coercing the one, and leaving the six free ? What happens when British workmen go out on strike or are locked out ? Why, foreign workmen do their work ! That's all.

British operatives and British employers fall out, and foreign operatives and foreign employers supply the market. Is not this cutting off your nose to spite your face ?

If our country was threatened with an armed invasion we should combine to resist it to the death, whereas we welcome with open arms an industrial invasion that is a hundred times more fatal !

The armed invasion would be temporary and pass away, whereas the industrial invasion means permanent occupation and industrial ruin. Are the people mad ? The competition that is being forced on the British market by foreign competition is the competition of cheap labour. Under Free Trade, the cheapest labour will supply the British markets, and British labour is not the cheapest labour (and I hope it never will be), and therefore, under Free Trade, British labour does not supply the British markets, and the markets of Europe and America are closed to it.

British operatives have the remedy in their own hands. If they will insist that this question of protection to labour shall no longer be made a party one, and will bind all parliamentary candidates, Radical or Tory, to protect British labour, they may be saved, but they have not much time to spare ; in another two or three years there will be no British labour to protect ; we shall see British workers competing for work at a reduction of 30 to 40 per cent. wages, and they will not get it. In agriculture, which is the greatest industry in the country, this is already the case : labourers are competing for work at 8s and 9s a week, and cannot get it. The farmers cannot employ them ; there is no work for them to do. The conditions that are killing down agricultural labour are steadily killing down operative labour. It is inevitable ; all the world sees it, and wonders ; but British workers will not see it—indeed, they are not allowed to see it.

We are asked to reverence the utterances of the fathers of Free Trade as if they were the Sibylline books. But this is nonsense ; the Sibylline books were mysteries which nobody could explain. The prophecies of the fathers of Free Trade are mistakes which everyone can perceive. "Protection means revolution," says Lord Salisbury. "Want of employment means revolution," replies common sense. Now, which is right ; or are both right, or both wrong ? We do



not know if Lord Salisbury is right, because he does not give us his reasons ; but we do know that common sense is right, because we know that want of employment causes discontent ; that discontent causes distrust ; that distrust causes a desire for violent change ; and that the desire for violent change means revolution.

What prophecy may have been in ancient days, of course, we don't know ; what prophecy is in these days I think we do know pretty well. It is merely a bill drawn, at long date, on the credulity of mankind, which is generally dishonoured when it becomes due. "The Land Bill will settle the Irish Question," said the political prophets ; "Friar's Balsam will win the Derby," say the Turf prophets ; "These shares will pay 50 per cent.," say the Stock Exchange prophets. No doubt they all believe in their prophecies ; the only thing against them is that, unfortunately, in ninety-nine cases out of a hundred they are not fulfilled. "Under Free Trade wheat will be at 54s a quarter," said the prophet Peel. "Ten years after England has adopted Free Trade every nation in the world will have followed her example," said the prophet Cobden, adding, by way of a clincher, "This is as certain as that the sun will rise to-morrow."

Now that wheat is down to 30s, and has been down to 27s, and that we know that since Mr. Cobden uttered his famous prophecy more people have been converted to Mormonism than to Free Trade, it seems childish to refer to these prophecies any more, except as an illustration of the general feebleness of modern prophets. But really, is it true that the country is between the devil and the deep sea, and that our only choice lies between the two horns of the dilemma ? "Employment or Revolution," says one ; "Free Trade or Revolution," replies another. But if Protection means employment, does Protection still mean Revolution ? I don't believe that an increase of employment, however obtained, would cause revolution. It is not common sense. If the disease must cause death, and the remedy must equally cause death, the patient is indeed in a poor way. If protection to labour means revolution in England, why does protection to labour not mean revolution in America, in France, in Germany,

in Belgium, in Italy? But it does not. On the contrary, we know as distinctly as we know anything, that in all those countries revolution would instantly follow any tampering with the existing laws for the protection of labour. Why should the interests of British labour require exactly opposite treatment to the interests of labour over the whole world? Every fool, I suppose, allows that if the classes force Protection on the masses—that is to say, if 4,000,000 attempt to force Protection on 30,000,000 against their will, it would most probably cause revolution. But equally, I suppose, every fool knows that if the masses force Protection upon the classes—that is to say, if 30,000,000 force Protection on the 4,000,000—it would not cause revolution. Now, this is what is happening in America, France, Germany, Austria, Italy, Belgium. In every industrial community out of England the masses have forced Protection on the classes. It may be very foolish of them to do so, but they have done it; and it seems to answer. Every American workman believes, absolutely, that the English aristocracy force Free Trade on the English workers for their own interest and convenience. And really, when we see the House of Lords declining to allow the subject of Protection to be even discussed, it looks as if the Americans were right.

It is an absolute fact that the working classes have only been allowed to see the face of the Free Trade medal—the reverse has been carefully concealed from them; but there is a reverse, even more important to them than the face. The face of the medal is cheapness; the reverse of it is cheap labour. Now, this is very important to the labourer. “Thank God for the cheap loaf,” say the Cobden Club to the masses; but they do not add, “Pray God he may give you the means of buying it.” But, indeed, the prayer is of as much importance as the thanksgiving. There are some of us, indeed, who “could not say Amen when they did say God bless us.” “You cannot grow your loaf as cheaply as you can buy it,” says the Cobden Club, “therefore buy it.” They forget to add, “You cannot buy your loaf at all unless you earn something to buy it with.” But this, again, is important. The cheap loaf to the labourer is the loaf he is paid to grow; the cheap loaf to the community is the loaf grown

on English soil, with English labour and English capital. There are fanatics who bathe in the Serpentine all through the winter, and break the ice in order to get at the dirty water. We wonder at their folly, and tell them they will kill themselves; but with a ghastly grin, and shaking with intense pleasure, they assure us it is the most delightful thing in the world, the only real enjoyment in life, in fact, and urge us to try it. Actually their folly finds a parallel in our one-sided Free Trade folly. Other nations see us breaking the ice in order to get at the dirty water, and they say, "You fools, you are killing yourselves; you are flying in the face of the natural laws of common sense; we can make almost everything cheaper than you can, and we are 7 to 1 more numerous than you are. We must kill you if you don't protect yourselves." But with a ghastly grin and a "rigor" in every limb we reply, "Oh! it's all right; it's quite delicious; do try it; it's the only way to secure national health. Our lands are going out of cultivation, our industries are all shrinking, our people are out of work; but all this only makes us richer. We have found out the true philosopher's stone, the great secret of national wealth. It is very simple—withdraw your capital from home industries that don't pay, and invest it in foreign industries that do pay; that is the way to get rich. Look at our income tax. Some years ago it was falling off because British industries did not pay. Then came the happy thought, for which we have to thank the Cobden Club; we withdrew our millions from British industries that didn't pay and invested them in foreign industries that do pay, and now our income tax is higher than ever. Was not that a stroke of genius? Is not that the way to get rich?" 1871-2-3 were the years of the great industrial boom, when the country, as Mr. Gladstone said, was advancing in wealth by "leaps and bounds," when everything was dear, wheat at an average of 68s the quarter; the excess of our imports over our exports was then only £40,000,000. 1888 is the year of the great industrial depression; every industry is shrinking; everything is cheap; wheat is down to 27s a quarter; and our imports so far exceed our exports at the rate of £160,000,000 per

annum. Why is this? Because in 1871-2-3 everything in England paid, and English capital was employed at home; while in 1888 nothing pays in England, and English capital is being employed abroad. The interest on our foreign investments is, of course, paid in goods, and it is the amount of these investments that regulate the quantity of the imports, not, as the Cobden Club would have us believe, the quantity of the exports. They have literally nothing to do with each other. If we have £1,000,000,000 invested abroad, we receive as interest, at 5 per cent., £50,000,000 worth of foreign goods. If our investments abroad are £2,000,000,000, we receive £100,000,000 of foreign goods in the way of interest. In 1871-2-3 our money was invested at home, and the amount of foreign goods sent to pay interest was comparatively small. Now our investments abroad are enormous, and the amount of foreign goods sent to pay interest is enormous too. Free-Traders insist that it makes no difference whether British capital is withdrawn from British industries and invested in foreign industries, or whether it remains at home to be invested in British industries, for the very simple reason that in all their arguments, from the definition to the demonstration, they steadily ignore the great question of employment. "The wealth of a country is the value of what it produces," says common sense. "Gammon," says the Cobden Club. "The way to make a nation happy is to promote employment," says common sense. "Gammon," says the Cobden Club again. Alas, Gammon is the last word as yet; but the weathercock flies round very quickly in these days. There is still hope : *Le jour viendra.*

Those who live by labour are seven or eight times more numerous than those who live on capital, fixed incomes, &c. Supposing the 30,000,000 who live by or are dependent on work can get no work, how long do you suppose they will respect the property of those who live by capital? To do anything, to sanction anything, that in the very smallest degree interferes with, or even threatens to interfere with, or diminish the employment of the 30,000,000 who are dependent

on work, imperils at once and directly the very existence of the 4,000,000 who are dependent on capital. There is no doubt about this. No doubt protection to labour, that is protection to the 30,000,000 who live by labour, will make things dearer to the 4,000,000 who live by capital. Certainly, without any doubt, it will. But which most concerns the prosperity, even the existence, of the whole community of 34,000,000? That the 30,000,000 should be employed and able to live and thrive, or that the 4,000,000 should live in greater luxury? It is only Free Trade enthusiasts who could entertain the question; but they do. What nonsense we talk about wealth; how wilfully we deceive ourselves! We won't allow ourselves to exercise the most rudimentary elements of proportion. A flourishing brewery is offered to the public at a price that promises a very high rate of interest to the purchasers, and £6,000,000 is subscribed in half-an-hour, and people hold up their hands in amazement at the wealth of the country, ignoring at the same time that in a few years the country has lost thousands of millions in agriculture and manufacturing industries.

Sir Lyon Playfair illustrates the wealth of the country by pointing out that we derive an income of £100,000,000 a year from our foreign investments, and all this, he says, is owing to glorious Free Trade. Does he tell us that a few years ago Mr. Caird calculated that the agricultural interest had lost £500,000,000—that in one year (1885) the loss of agricultural income was £48,000,000—that since he made those calculations the loss of agricultural capital and income has gone on with frightfully increased acceleration—that the capital loss on agriculture is now more nearly represented by £1,000,000,000, and the loss of agricultural income is not less than £60,000,000 per annum, and the loss of other industries perhaps three or four times as much more? Do they tell us agricultural wages are down to 9s a week?

Of this enormous capital of £2,000,000,000 invested abroad, do we suppose the working classes own 2000 shillings; that of this £100,000,000 of income they ever touch the value of one brass farthing? We appeal to figures and decline to accept their teaching. We magnify the increasing wealth of a



few great capitalists and minimize the ruin of thousands of producers. If agriculture was prosperous in all its branches, if tillage was extending, if the number of cows and sheep and horses and pigs were increasing, if agricultural wages were rising, if men were leaving the towns and the mines to work in the fields, if all our people were employed, if the busy hum of industry was heard throughout the land, if the horny-handed gentlemen had plenty to do, if every field for investment in the country was occupied—then, indeed, it would be a source of national congratulation that we had a nice little nest egg of £2,000,000,000 invested abroad? But if the reverse is the case, if the £2,000,000,000 is withdrawn from British agriculture and British industries, and British investments, to be employed in foreign agriculture, foreign industries, and foreign investments, is there any cause to congratulate ourselves on it? These £2,000,000,000 invested in British agriculture and British industries would promote employment and increase the comfort of the 30,000,000 amongst us who depend on labour. Invested abroad it adds nothing to the welfare of the great mass of our home workers; it only adds to the luxury of the moneyed classes who don't work! What is true of the agricultural industries of Great Britain is true also of the manufacturing industries—they are being killed down by excessive competition, and capital is being withdrawn from them and going abroad. And it is because I wish to reverse this process; because I believe this combination of home industries will relieve them from some portion of this fatal competition; will immensely increase the number of investors; will give the operatives steady, instead of very fluctuating, wages, and attract British capital back to British industries and British labour, that I feel so strongly in favour of it. My belief is that it is a national movement of the very greatest importance, and may prove of the greatest advantage to the community. If the cost of what we buy exceeds the cost of what we sell by eighty or a hundred millions a year, how can we be making money? If the value of what we produce falls in price every year, how can we be making money? It is not possible. It cannot be. If we don't create wealth—if we

don't attract wealth, how can we be getting richer? Some ten or twenty great bankers and money-dealers and financiers are accumulating enormous wealth, piling millions on millions, but they are millions withdrawn from the employment of British labour, from the development of British industries. As a matter of common sense, Free Trade jargon aside, how is it possible—yes, actually possible—that we can be richer as a nation by withdrawing 2,000,000,000 sterling from British agriculture and British industries and employing them on foreign agriculture and foreign industries? Is it possible?

In every economic discussion we are always limited by the bugbear of Free Trade. It is nonsense. It is better to take the bull by the horns, to tell the truth and shame the devil. Combination amongst manufacturers means Home Protection. It is one-sided Protection against one-sided Free Trade!

“No scandal about Queen Elizabeth, I hope?” says Sneer. “O Lud! no, no,” replies Puff. “No scandal about Free Trade, I hope?” says Mr. Gladstone or Mr. Goschen or Lord Hartington; and everybody hastens to say “O Lud! no, no.” But what hypocrites we are. We know perfectly well that very many of us are in our hearts thinking scandal of Free Trade; praying for higher prices, though we know that higher prices can only come with Protection. “Sister Anne, Sister Anne,—do you see Protection coming?” inquires the despairing agriculturist. “No,” replies Sister Anne, “I see a little cloud of dust in the distance, but I don't think it is Protection.” “Thank God,” says the agriculturist with a sigh, though not of relief, “Protection is not coming.” “But Sister Anne, Sister Anne, just look again and see what the little cloud of dust is—it may be Protection after all.” “Thank God for Free Trade,” say the manufacturers aloud, that secures cheapness to the consumer, but (*sotto voce*), “present prices are absurd; we must protect ourselves; we must combine to reduce production and to raise prices.” And this they do, congratulating each other all the time on the beneficent working of Free Trade that secures cheapness to the consumer. “Thank God for

Free Trade," says Mr. Gladstone, and deplores the ruin of agriculture. "Thank God for Free Trade," says Mr. Bright, and regrets that the agricultural classes have lost £200,000,000. "Thank God for Free Trade," says Lord Granville, and regrets the loss of £160,000,000 in four years in the iron trade. "Thank God for Free Trade," says Lord Derby, as he advises the working classes to leave the country. "Thank God for Free Trade," say Lord Grey and Mr. Chamberlain, as they advise the working classes to give up weak industries and take to something else. And yet, in spite of this remarkable consensus of praise, there are actually idiots, as Mr. Gladstone tells us, going about the country talking scandal about Free Trade. What ostriches we are, sticking our heads in the sand and fancying the world does not see us, clamouring for cheapness with our lips, but in our hearts praying for higher prices! "Thank God that wheat is 27s per quarter" we cackle; but every goose amongst us knows perfectly well that the community—agricultural and manufacturing—would be doing better with wheat at a permanent price of 45s or 50s per quarter, land in cultivation, and labour in demand, than with wheat at 27s a quarter, land going out of cultivation, and labour standing idle. "But, thank heaven," says Mr. Gladstone, "the masses have now got the franchise, and they will soon scatter to the winds the heresies of Protection." I don't know about that. I don't suppose the working classes in the United Kingdom differ very much from their fellow-workers and fellow-countrymen in the United States, and I know that any working-man in America who advocated the heresy of Free Trade would be regarded as a poor creature past praying for. We are all of us profuse in our thanks to heaven when our wishes seem uppermost; in fact, the readiness with which we thank heaven for giving us what we want must be rather confusing. One thanks heaven for rain; another for dry weather; one thanks heaven the masses have got the franchise because they will vote down Protection; another thanks heaven they have got the franchise because they will vote down Free Trade. But let us put a bold face on it. Yes, there are actually idiots going about the country talking scandal about Free Trade—

and I am one of them—and this is what I say: That after forty years' experience of one-sided Free Trade the condition of labour in the United Kingdom is very alarming. That many industries have died out, or removed to other countries; that in nearly every industry English labour is undersold by foreign labour; that in most industries four days is now considered a week's work. That agricultural wages are dropping to a point never before reached; that in many counties the labourers are competing for work at 10s and 9s a week. That, in spite of excessive cheapness, there are millions in the country who only taste fresh meat once a week, or once a fortnight, and milk never. That the pauper class number 7,000,000 in a population of 34,000,000. That there are 14,500,000 of the community receiving less than 10s 6d per week. That flesh and blood never was so cheap; the sweating system never so cruel. That land is rapidly going out of cultivation. That every year, with a rapidly increasing population, we are growing less food. That agriculture in all its branches is rapidly declining. That whilst our lands are going out of tillage, those who are ready and anxious to till them are standing idle. That landowners, tenants, labourers, county tradesmen represent 10,000,000 or 12,000,000, directly or indirectly, dependent on agriculture. That agriculture, the growing of food for the people, must always be the most important interest in every community. That of all the ways in which capital can be employed, agriculture is by far the most advantageous to society. That no equal capital puts into motion so much productive labour as that of the farmer. That to impose conditions under which the land cannot be cultivated is devising the most gigantic "lock-out" ever conceived. That the United Kingdom is the only country in the world that is going out of tillage. That everywhere else, in France, in Germany, Belgium, tillage is extending. That to advocate a return from tillage to grazing is like advocating a return from express trains to stage waggons. That tillage produces eight times the amount of human food, employs three times the amount of human labour that grazing does. That, therefore, the return from tillage to grazing means the emigration of one-half of the population. That all production that does not pay

its cost ceases. That, therefore, if growing food does not pay its cost, it will cease. That employment, not cheapness, is the mainspring of national prosperity and contentment. That the way to make a nation happy and prosperous is to give everybody an opportunity of being employed. That the idea of supplying a population of 34,000,000 with everything at a lower price than they can produce it is probably the most preposterous nonsense that ever entered the human mind. That this is actually what Free Trade pretends to do; we are attempting to supply ourselves with everything cheaper than we can produce it. That, in other words, we place before our workers cheap food, but put it out of their power to earn the money to buy it. That there is hardly an article in the world that cannot be produced cheaper in some other country than in England. That freight and transport are so cheap that nearly everything will now pay the cost of transport to England. That, owing to her insular position, surrounded on all sides by ports and harbours, England is more vulnerable to industrial invasion than any country in the world. That owing to the extravagant and unthriftly character of her people, England is the one country in the world that requires to protect its labour. That it is impossible the price of labour can be maintained in the face of the labour competition of the whole world. That England is now suffering from industrial invasion. That foreign labour is driving out English labour, as the brown rat has driven out the black rat. That as it is the duty of the Government to protect us from an armed invasion, so it is the duty of the Government to protect us from an industrial invasion. That an armed invasion means temporary disgrace—that an industrial invasion means ruin. That Protection means protection to labour, protection to native industry, protection to those who eat their bread in the sweat of their face. That Free Trade means untaxed foreign competition. That foreign competition means competition in cheapness; competition in cheapness means competition in cheap labour; competition in cheap labour means competition in flesh and blood; and competition in flesh and blood is slavery. That excessive competition is the greatest curse that can be imposed on a



working community. That the unrestricted labour competition of the whole world is rapidly making the conditions of English labour impossible. That cheap clothing and cheap food are of no value if human labour is cheaper still. That excessive cheapness is of no value to the community without employment. That employment means cheapness. That those who have employment can buy; that those who have not employment cannot buy. That the first and paramount duty of every Government is to encourage conditions under which everyone can find employment. That we import manufactures and export manufacturers; import agricultural produce and export agricultural labourers; export strong men and import helpless paupers. That to advocate emigration with our fields untilled, and 7,000,000 of our population half-clothed, is monstrous. That Board of Trade returns are mere flap-doodle, the food of fools. That foreign imports and foreign exports alone are no proof of national prosperity. That internal production and internal consumption are the only proofs of national prosperity. That Free Trade has ruined Ireland, and Protection alone can restore it to prosperity and contentment. That the cheapest countries are those most unfavourable to labour. That Free Trade means cheapness to the rich, the idlers, those with fixed incomes; but longer hours, lower wages, harder work to the workers. That the workers are twenty to one to the idlers, and therefore Free Trade sacrifices the interests of the twenty to the interests of the one. That in no other community in the world has the Government ventured to impose the tyranny of unrestricted foreign competition on the workers. That foreign competition cheapens everything the working classes produce, but cheapens nothing they consume except food. That higher prices for what they produce means higher wages, less grinding competition, a higher standard of life. That 5s spent on the produce of English labour benefits the working classes more than 50s spent on the produce of foreign labour. That it does not follow we eat more corn because we import more corn; we may grow less. That it does not follow we consume more silks because we import more, if we give up producing silks. That it is home trade

enriches the working classes. That 25,000,000 of the population depend on the supply and demand of home trade. That it is manifestly unjust, as between class and class, to make everything the poor produce artificially cheap. That, indeed, the tendency ought to be the other way. That the agricultural classes are the best customers of the manufacturing classes. That when the agricultural classes are doing well they buy; that when they are doing badly they "do without." That the wealth of a nation is the value of what it produces. That under foreign competition the value of everything we produce is decreasing every year. That to say that under these conditions we are getting richer is absurd. That every year the balance of foreign trade is fearfully against us. That this balance has to be paid. Economists may argue till they are black in the face how it is paid; it does not signify twopence, it has to be paid somehow. That one-sided Free Trade is a game of heads I lose, tails you win. That everyone is getting poorer who deals in labour, and everyone is richer who deals in money. That unrestricted foreign competition is so evidently destructive of the vested interests and rights of labour that out of England no single statesman has ever considered it worth a moment's consideration.

England is the only country in the world in which what is called political economy has been treated merely as a question of party politics. It is hopeless. If a Conservative talks any scandal about Free Trade, the Radical shouts "Yah, yah, the cheap loaf! the cheap loaf!" If the Radical talks scandal about Free Trade, the Conservatives are equally ready to enlist votes with the cry of the cheap loaf. It has come to this—that it is the cheap loaf that is consuming the labourer, not the labourer the cheap loaf; because he does not grow it himself, but stands idle and pays the foreign labourer to grow it cheap for him.

When Lord Salisbury told the deputation of the unemployed that the Labour Question was a more burning one than the Irish Question, he said what everyone in his senses knows to be true. "Near is my shirt, but nearer is my skin."

Starvation in London is nearer to us than political discontent in Ireland. To find food for your neighbour is a more pressing duty than to head a crusade against your neighbour's land-mark. It is said that there are at this moment 80,000 men out of work in London alone. Are there 80,000 men out of work in the whole of Ireland? I do not deny the importance of the Irish Question; but is it not a fact, evident to everyone, that the English Labour Question is at this moment the more urgent one of the two? The ominous cry "We've got no work to do" is now resounding from one end of the country to the other. Does not that require more immediate attention than the cry for a Parliament on College Green? I think so. The distress is only temporary, say the theorists of the Cobden Club, "wait till the clouds roll by." But how in the face of facts can they say so? The disease has now followed its unbroken course for seven long years, intensifying every year. The clouds do not roll by. On the contrary, they are gathering in heavy masses that strike the most unthinking with dismay. Those who are actually engaged in the industries of the country know perfectly well that every year makes it less probable, less possible indeed, that good days will ever return again to English industries. Why? Because they are placed under unfair conditions that make ruin a certainty. The patient must die if the doctors persist in treating him for the gout when he has got small-pox, or for the small-pox when he has got the gout. But that unfortunately is our case, both in England and Ireland. Our doctors will insist that both England and Ireland are suffering from political disease, whereas the fact is they are both suffering from fiscal disease. "Give Ireland a Parliament on College Green," say the doctors, "and her prosperity will return. Extend the franchise in England, give the agricultural labourers a vote, say the doctors, and her prosperity will return."

If a Parliament on College Green means protection to Irish industries, Irish prosperity will return; and if the extension of the franchise in England means protection to English industries, England's prosperity will return; but not otherwise. It is a fiscal disease that we are suffering from;

but our doctors have so pledged their reputation and their characters that it is purely political disease that they will rather see the patients die than allow that they have been mistaken. What are the causes of the present industrial suffering in England? Over-production, we are told, is one; not over-production in England be it understood, but over-production over the whole industrial world. How do other nations treat over-production? In America, France, Belgium, Germany and Austria, statesmen and economists reason thus: "The production of the world exceeds the consumption of the world; therefore we must take steps to prevent our own markets being swamped by the surplus production of the world. We must protect our own industries."

"The production of the world exceeds the consumption of the world," say our theorists; "therefore we must throw open our markets to the surplus production of the world. Our industries must look out for themselves." And our industries would look out for themselves if they were fairly handicapped; but they cannot do so if they are handicapped out of the race. Other countries suffer from over-production, but it is the over-production of their own workers. The remedy is in their own hands; they produce less, and the evil rights itself. But England does not suffer from the over-production of her workers, she suffers from the over-production of the whole world. She cannot right herself by producing less, because the less she produces the more her foreign competitors pour into her markets. England is the one market, the only one, for the surplus production of all the industrial communities in the world. When production exceeds consumption in America, where do they send it? To England. When production exceeds consumption in France, where do they send it? To England. The same with Belgium, with Germany, with Austria. When production exceeds consumption in England, what happens? Can English workmen send their surplus production to America, or France, or Belgium? No, they cannot. What, then, must they do? Make less; make very much less, and that is what they are doing, and have been doing for seven long years. There is no market for their surplus production abroad, whilst they are compelled by

their economical tyrants to make way for the surplus production of all nations at home. Is it not a fact that if English industries can thrive under such conditions it must be against every law of nature and reason, like the thorn of Glastonbury that blossoms in the midst of winter?

Are not facts better than theories? Why is our silk trade nearly ruined? Because the foreigners can make silk cheaper than we can. Why is our iron trade nearly ruined? Because the Belgians and Germans can manufacture iron cheaper than we can. Why are our woollen industries, cotton, cambrics, glass makers, chair makers, furniture makers, joiners, glove makers, watch makers, hardware makers, every industry in the country depressed? Because the foreigners can make all these articles cheaper than we can. And why can they make them cheaper than we can? Because they work longer hours, and because they work for less wages. There is no mystery about it. The market is to the cheapest producer, and where all other conditions—capital, fuel, material—are equal, as they are now in every industrial centre in the world, the victory is with the cheapest labour, with those who work longest hours for the lowest wages. Competition, competition, competition, long hours, less pay; that is the battle cry of the Cobden Club. That is what the gospel of industrial happiness comes to as preached by Free Traders. And is it a pleasant gospel for working men? Will it add to their happiness to work longer hours for less wages? And do we wish them to do so? We say we do not. We pass laws to limit their hours of work, and we legalize combinations to artificially increase their wages. But we do not deal with them honestly. We give with one hand and take away with the other. We say, "You shall not work more than a certain number of hours a week," and at the same time we invite the untaxed competition of foreign labourers, who we know work half as many hours more. Cannot the Trade Unionists see through this palpable nonsense? Cannot they see that it is impossible to keep up the wages and limit the hours of English workmen if at the same time they admit the competition of foreign workmen, working longer hours for less wages? Before they can regulate the wages and hours of



English workmen, they must protect them against the longer hours and lower wages of foreign workmen. If they do not do this they will put them in a position in which they will have no work to do. Competition such as we invite, with low wages and long hours, must bring with it long hours and low wages too. This our Free Trade Popes are at last obliged to realize. But they keep it in the background. Have our workmen realized it also? Is it a fact that they also wish it kept in the background?

If ten millions of ironworkers, glass-makers, woollen, silk, cotton workers, &c., from Germany, France, and Belgium settled in Lancashire and Yorkshire, and worked seventy hours a week, including Sundays, for thirty per cent. less wages, they would, of course, undersell our workmen working fifty-two hours a week and demanding thirty per cent. higher wages. Well, these Germans, and French, and Belgians are not working long hours for low wages in England, it is true; but they are working long hours for low wages in their own country, and are sending their products over to our markets, duty free, at a lower rate of transit than it costs the English workmen to send their products to their own markets. To all intents and purposes the German or Belgian workman, who is working long hours for low wages in Germany or Belgium, is just as direct a competitor with the English workman as if he was working in Lancashire or Yorkshire.

In every industrial country in the world except England it is recognised that the first duty of the Government is to promote the employment of the people; in other words, to protect their industries. In every other industrial country but England the industries of the people are protected. Is it so certain that all the whole world is wrong and England only right? In every country except England it is allowed that the interests of those who both produce and consume are greater than the interests of those who only consume. In every industrial community out of England it is allowed that employment is of more importance than mere cheapness. In England alone it is maintained that cheapness is of more importance than employment. Are even Free-Traders infallible? Is there any doubt which is right? Employment gives the means

of buying; cheapness does not give the means of buying. The penny roll is now down at a halfpenny; and thousands of the unemployed would be much better off with the penny roll at twopence if they had twopence-halfpenny to buy it with. Does cheap bread mean good bread? No! very often, generally in fact, it means very inferior bread. The 4 lb. loaf may be at 4*d*, and people say, "Blessed Free Trade! see how cheap bread is." But if the 4 lb. loaf at 4*d* contains 40 per cent. of water: is made of potato flour, of alum, of bone-dust, is it cheap bread then? Often the very reverse. When a cry goes up from the unemployed in England it is met by an assurance from the Cobden Club that workmen are far worse off in foreign countries. The information I have gathered on this subject with much care satisfies me that this statement is absolutely untrue; that it is, in fact, the actual reverse of the truth. There is industrial distress in other countries no doubt, but nothing like the industrial distress that exists in England. There is this immense difference. Other nations suffer chiefly from the results of their own over-production, whereas England suffers from the over-production of the whole world.

The English operatives have a right to know the exact conditions of labour in other countries, and the most urgent need at this moment is the appointment of a committee to visit America, Belgium, France, Germany, and to give the English workmen an authoritative statement of the wages, and the hours of work, and the condition of labour, and the proportion of unemployed in those countries. The argument that because the poor rates have not increased, that therefore distress has not increased, is both deceptive and cruel. Parish relief is now looked upon as relief from starvation simply. There may be millions earning less, eating less, enjoying less comfort, less necessities, sinking in the social scale, and yet not actually starving. In this country, with its population of 34,000,000, it is calculated that there are no less than 7,000,000, one in every five, toing the line of pauperism. Does this say much for the fiscal system that has been at work forty years? Can any system of Protection show a worse record? Will anything awake the English

people to their senses? Would they be convinced though one rose from the dead? They have an example of the ruin caused by unjust fiscal conditions at their very door. Will they not take warning? Irish industries are ruined, dead, because they were excluded from the English markets, and English manufactures forced into the Irish markets. At this present moment, with the consent and active support of our rulers, English industries are receiving exactly the same treatment at the hands of Europe and America. English manufactures are excluded from American and European markets, and American and European manufactures are forced on the English markets. Is it not an absolute certainty that under identically similar conditions England will suffer similar ruin? Is not the handwriting already on the wall?

Of all animals we are told man is the one that is most likely to run into extremes, and of all mankind the English are the most subject to this hysterical condition. They are always doing it. In religion, in politics, in philanthropy, in art, in sport, we are always running into extremes. But in no matter is it so remarkable as in our mad, persistent advocacy of one-sided Free Trade. Here, indeed, we have run into extremes with a vengeance. In every industrial community in the world there has always been two kinds of protection to labour—natural protection and artificial protection. Natural protection consists of the cost of carriage and transport and freight—that to a greater or less extent protects every home labour market from the invasion of foreign labour. Artificial protection consists in the tax that industrial communities have imposed on the products of foreign labour. In every industrial community, steam, by land and sea, has more or less weakened natural protection; and in every industrial community the weakening of natural protection has been met by a corresponding stiffening of artificial protection. In every industrial community there is the same universal cry, "Our labour must be protected, our people must be employed;" but not so in England. Here we have run into the very opposite extreme. Being an

island, surrounded by the great highway of commerce, with ports studding our coasts, England is more exposed to foreign industrial invasion than any other country in the world. Her natural protection has entirely disappeared. From every point of view, therefore, it would seem natural and necessary that her artificial protection should be maintained and even strengthened. But that was not the opinion of our wise men. On the contrary, the complete removal of all natural protection was made the excuse for sweeping away all artificial protection. In every case Free-Traders insisted that foreign labour should be put on a footing of perfect equality with English. More than that, they insisted that it should be put on a footing of advantage to English labour. Bonuses on foreign importations were defended, preferential railway rates were advocated and sanctioned, in order that the foreign producer should have an advantage in our markets. Was ever such folly? Was ever such injustice inflicted on native industry? And all this we did whilst the foreigners were closing their markets tighter and tighter against English industries. If this was not running into extremes, I don't know what is. The question of protection to native labour is no longer one of theory but of fact. The time has come when the industrial classes will say to the financial classes, "Capital is your birthright, and in forty years you have trebled it. Well, wages are our birthright, and in many of our industries we have not increased them at all. You have taken our birthright out of our hands, because you said you were wiser than we were; and what have you done with it? You have muddled it away in attempts to bolster up your vain theories. You have thrown away our industrial defence and imposed upon us a competition under which we cannot live and thrive in our own country. This is absurd. You have been entirely selfish in this matter, but we can be selfish too; but if we are, we shall have an excuse that you have not: *the excuse of necessity*. You encourage foreign labour in order that you may get luxuries. We protect native labour in order that we may get necessities; for we cannot live unless we can earn. You say that things cannot be too cheap for you; but they can be a great deal too cheap

for us—if they are cheaper than we can make them. Free imports mean luxury to you, they often mean want to us. Protection means fewer luxuries to you, but it means more employment to us. Of course, you don't care much for our being out of work, the foreigner supplies you with all you want. But, to tell you the truth, we shouldn't care much for your being out of luxuries—in fact, we think that in every way it is better that you should be short of luxuries than that we should be short of work." A great change has come over this country as regards the employment of capital. A generation ago England and Scotland offered the best field for the investment of capital. Everywhere capital was invested in industries of every kind—in agriculture, in manufactures. England was the great field for industrial investment. Now this is all altered. Everywhere capital is being withdrawn from British industries, agricultural and manufacturing, and employed in finance, in foreign loans and foreign industries, and foreign undertakings of every kind. British agriculture and British industries no longer pay, and, therefore, capital is removed from them to other investments that do pay. Now, this is very bad, and very serious. In every community capital and labour are more or less antagonistic; but in England, owing to Free Trade, the antagonism is complete.

There are, in fact, two Englands—financial England and industrial England—and they are completely separated. Industrial England concerns the existence of about 30,000,000 of people; financial England concerns the comfort and luxury of about 4,000,000. In our population of 34,000,000 about 30,000,000 represent labour, and about 4,000,000 represent capital. During the last ten years capital has been steadily, latterly very rapidly, flowing from the former to the latter—from labour to capital. Money attracts money; labour is getting poorer every day; capital is accumulating beyond the dreams of avarice. The capital of England keeps 4,000,000 or 5,000,000 in affluence; some in excessive wealth. We see a millionaire, and assume he is an index of the wealth of the country; but he is not. His wealth does not necessarily, very likely not at all, proceed from English industries. On



the contrary, his wealth very often represents money withdrawn or withheld from English industries, and invested in foreign industries. How many mills closed, how many parishes gone out of cultivation, may go to make one City millionaire? formerly it was the employer of labour who grew rich. Then the interests of capital and labour were united. Now it is the financier, who employs no labour at all, who grows rich, and the employer of labour who grows poor. Capital and labour are completely divorced by Free Trade. "What a bore you are," says capital to labour, "with your strikes and your complaints. They don't concern us one little bit. You need not cultivate an acre of land or produce anything whatever. We shall go on just the same; we can get everything we want from abroad. We really have no interest in you whatever. If you strike and don't produce what we want, it makes no difference whatever to us. We only buy more abroad."

Let me repeat the proposition. If an industrial community insists upon being supplied with everything it consumes cheaper than it can be produced at home, there will soon be no work for that community to do. It must leave the country or starve. It was always a certainty that directly our workers realized the fact that the foreigners were taking the bread out of their mouths they would call for Protection. Well, that time has come, and they do realize it. The instinct of self-preservation is awakened, and it is possible they may make it very hot for those who have so long been leading them astray from the paths of common sense. Industrial depression has been so long reaching wages that people began to fancy it would never reach them at all. But it has. The great industrial boom put it for ten years; but at last it has come. The cause of the delay is very simple. Up to the present time, the immense industrial capital of the country has stood between English and foreign workmen, and so long as that buffer remained, the former did not feel the full shock of the competition with cheap labour; now it is gone, and they are face to face with their enemy. First the employers lost their profits, then they lost their capital, and now at last the workers are losing their wages. The shoe is

beginning to pinch, and the re-action has commenced. It was a certainty. The employer may manage to live without his profits; he may struggle on even if he loses half his capital; he has his political economy to console him, but when the workman loses employment he is done. No theories will help him then; he wants remedies, and very quickly too. It is a case of work or the workhouse. English highly-paid labour is attacked in its own market by the concentrated cheap labour of the whole world, and against this combined competition it cannot stand, it cannot live and thrive. That is the situation. What is English labour to do? "Emigrate, of course," say the theorists. "Watch and pray," say those whom the shoe does not pinch. Watch! But what are we to watch? The extraordinary growth of foreign industries, and the terrible shrinkage of our own? English operatives fleeing their country, and foreign goods pouring into it? "Well, then," say our comforters, "if you don't care to watch, pray." But, again, what are we to pray for? For higher prices, of course. That is what the whole industrial community is praying for, because they know that that alone can save them. But will praying bring us higher prices? Did the prayers of careless sailors ever get their ship off the rocks? If Providence, by means of a Franco-German or American war, gives us higher prices, we are as thankful as the Israelites were for the manna in the wilderness; but we will not do anything to secure higher prices for ourselves. Oh, dear no, that would be impious. We should be throwing stones at the sacred image of Free Trade. What nonsense. We pray Providence to give us what we declare it is wicked to give ourselves. We make Providence our cat's-paw in fact. We reverse the golden maxim, "Help yourself, and Providence will help you." But it is certain Providence will not help us if we do not help ourselves. Of course, Mercury will not pull our wheel out of the rut, if we do not try to pull it out ourselves. *Pas si bête!*

Emigrate, emigrate, emigrate, cackle our Free Trade geese; but what do they mean? It is immigration, not emigration that makes a country rich. The rats leave a sinking ship; but they swarm to a full one. It is population that enriches

a country; it remained for our "long ears" to make the glorious discovery that a country must be depopulated to be enriched. But what is the use of theorizing with the facts before our eyes? Ireland had a population of 8,000,000, and she exported corn and cattle. She has now a population of 5,000,000, and she imports corn and cattle. Of course this must be so. With every working man who has left Ireland her production has *pro tanto* diminished, and she has become poorer. Three millions of her children have left her, and to that extent she has become poorer. And now we are called upon to apply the same remedy to England. Emigrate, emigrate, emigrate, cackle the geese again. Get rid of the workers, drive out the working bees, and leave us only the drones, and see how rich the hive will become. What a lot of honey we shall make. This is no exaggeration. It is the able-bodied, the workers, those who produce, who leave the country; it is the old, the puny, the sick, the infirm, the idlers, the loungers, those who produce nothing, who remain. Do they add to the wealth of the country, or do they drain it?

But why should Englishmen leave their country to find work? Is there no land for them to cultivate at home? On the contrary, in England and Ireland land is going rapidly out of cultivation relapsing from tillage to grazing. Are the mills over-stocked with labour? On the contrary, many of them are standing idle, and nearly everywhere four days is considered a week's work. Great Britain contains the largest consuming population in the world. The consumption of everything is enormous, and yearly increases. Why, then, should English producers be forced to leave this splendid market and go elsewhere to find work? They may be extravagant, careless, unthrifty; they may drink, &c., and the foreigner can produce at less cost; but if this is the nature of English workmen, it affords the strongest possible argument for not exposing them to the combined competition of cheap labour. The Government must legislate for the people as they are, not as they ought to be. If you say to English workmen, "You must work on the same terms as foreign workmen," it is tantamount to telling them they must not work at all. If the leopard has spots, you will not

change them by feeding him on turnips. He may die, but his spots will remain.

Over-competition, especially the competition of needy employers, is the most terrible curse of labour. It is this that causes the most possible misery and degradation of the chain and nail makers, and fosters the "sweating" system in the East End of London. It is a case of poor employers, competing against each other for poor profits, and using of flesh and blood to make them.

From Cape Comorin to Cashmere the credulous Hindoo bows himself before the great god Siva, the Destroyer. From the Land's End to John o' Groat's House the credulous operative bows himself before the great god Competition, the Destroyer. The Siva of the Hindoo is a cruel god, adorned with a necklace of skulls, and propitiated with oblations of blood and human sacrifices. The Siva of the British operative is also a cruel god, adorned with a necklace of skulls, and propitiated with the life-blood of many millions of workers. It is a shame to say this, I shall be told. It is cruel to exaggerate the inevitable condition of labour. Competition is not a cruel god; but a very beneficent one—a sort of fairy god-mother, in fact, who never wearies of showering blessings on her children. I do not believe it. I do not wish to exaggerate the inevitable conditions of labour. I should indeed feel very much ashamed to do so. The reverse is my object. I would, if possible, make the conditions of labour less exasperating. I know, of course, that till the end of the world, when the last man shall face the dying sun, man must continue to eat his bread in the sweat of his face (I often wonder what man's fate would have been if Adam had never eaten of the tree of knowledge)! but I see no reason why, in the meantime, we should not try and make this inevitable perspiration less intolerable. "Can that be a true science," asks Sismondi about political economy, "that sacrifices the happiness of mankind to the production of wealth?" Now, I maintain that political economy, as taught us by the Cobden Club, by artificially stimulating competition, does sacrifice the happiness of mankind to the production of wealth, and therefore it is not a true science.

Of course competition must come in this industrial world; but woe to those who add competition to competition till there is no place left for the worker.

In the fierce struggle for gold, and the fiercer struggle for life, the weak of course will go to the wall and get crushed and trodden under foot. All I ask of political economists is to devise laws that shall minimise the number of those that must fall in the industrial strife, not laws that multiply it. The greatest benefactor to industrial mankind is the legislator or economist who diminishes competition, and the greatest curse to industrial mankind is the one who artificially increases it. "But," say our instructors, "competition is not a cruel god that delights in a necklace of skulls, &c." Let us see. A wretched woman stitches shirts at 4*d* a dozen, her very life all the time passing through her fingers into her work. "You must look alive, my good woman," says the slopmaster; "you must stitch a good deal harder than you have done if you wish me to employ you. I have been paying you 4*d* a dozen for stitching these shirts, but now I find I can get them stitched as well in Belgium, Saxony, and Italy, for 3*d* per dozen. You must do them for 3*d* a dozen or lose my work." "But I can't stitch them for 3*d* a dozen," answers the poor woman; "already I stitch sixteen hours a day, often more; my fingers are sore; I have to pay for my light and for my needles and thread, and all I can earn is 3*s* 6*d* per week. I will try to stitch cheaper, I will indeed; but for God's sake don't take away my work, or I starve." "I am very sorry," says the slopmaster, who realizes her misery, "but what can I do? business is business, competition is so severe that I must have the cheapest labour. If shirts can be stitched for 3*d* a dozen abroad I must get them stitched for 3*d* a dozen at home or lose the trade." And so another skull is added to the necklace of Siva. The same with chain makers, or nail makers: "Now then, my man," we say to the foreman or gangman, "you must make these women and children of yours work harder than they have been doing. I find I have been paying you too much. I can get the work done cheaper abroad." "But," says the gangmaster, "I can't get any more work out of



them. I work them as long as the law allows me, and longer too; and if you look at them I think you will see by their appearance that I do not allow them to waste their time." "Well, I don't know anything about that; all I know is that unless you can supply me with chains and nails cheaper than you have done I shall be obliged to buy my chains and my nails abroad." And so there is another turn of the screw and more skulls added to the necklace of Siva. Sooner or later the competition for cheapness becomes competition in cheap labour, and competition in cheap labour means competition in flesh and blood. Flesh and blood is plenty, pennies are scarce, and, therefore, the holders of the pennies have the game in their hands. They get a great deal of flesh and blood for their pennies. And then flesh and blood has no claim on them; they have not to replace it. You buy your horse, and if you work him to death you must buy another; but you don't buy the women who stitch your shirts, or your chain makers, or your nail makers, or those who make cheap clothes in the sweating dens. They cost you no money; if they work themselves to death it is no loss to you; a hundred others are always ready to take the vacant place. When men, women, and children can work no more they go the hospital or to the workhouse to die, probably to many of them the happiest hours of their poor joyless lives, to learn, perhaps, alas, too late, that there are conditions under which life is worth living. What does it signify? Who cares?

Rattle his bones over the stones,  
It's only a pauper that nobody owns.

It's only a few more victims on the altar of competition; a few more skulls added to the necklace of Siva. This is not the fault of the employers of labour. They may be, and very likely are, as kindhearted as their neighbours, but they have no choice. It is the fault of those vain theorists who have artificially stimulated competition till the conditions of labour have become fatal.

It is a fact that at this moment in many industries, especially those followed by women and children, competition, exaggerated and artificially stimulated by one-sided Free Trade,

imposes conditions of labour on thousands and thousands in this country as severe and cruel as any ever forced on black chattel in the most roaring days of slavery. "But one-sided Free Trade does not artificially stimulate competition," again says the Cobden Club. Doesn't it? Suppose 10,000 men are employed making shoes in Belgium, and the shoes of the 10,000 Belgians are admitted in England, and the shoes of the 10,000 Englishmen are excluded from Belgium, does not this artificially stimulate competition with English shoes and with those who make them? Suppose, moreover, the Belgian shoemakers work 20 per cent. longer hours, and are content with 20 per cent. less wages, will they not necessarily bring down the English shoemakers to their level of work and wages? Of course they will. The funny thing is that the Cobden Club would argue that this is for the advantage of English shoemakers, and that the greater the number of industries that come under these conditions the better for the community. Perhaps if some of these perorating gentlemen were shoemakers themselves they might think differently. But what are the Trades Unions about? Their *raison d'être* is to regulate, to restrain competition. How is it that while they restrain home competition they stimulate foreign competition? If German, or Belgian, or Chinese workmen flocked over in thousands and offered themselves at our building yards, or cotton mills, or iron works for 20 per cent. less wages, and for 20 per cent. longer hours than our workmen, how long would the Trades Unionists bear with them? But at the same time they acclaim the policy that admits duty free the cotton and the iron, and the joiners' work these same men produce, working for 20 per cent. less wages and 20 per cent. longer hours, at home. It is incredible. It is related of Alla the Sanguinary, called the Burner of the World from his ferocious nature, that he marched a number of the first citizens of Ghizni in chains to Ghor, a distance of 250 miles, each with a bag of clay round his neck, which they were compelled to mix with their own blood to compose the mortar for a tower that was to celebrate the destruction of their capital. Whenever I see a body of English operatives assembled together to celebrate one-sided Free Trade, I am reminded of the unfortu-

nate citizens of Ghizni; they, too, are giving their life's blood to celebrate the destruction of their industries.

I suppose the British operative must some time or another, sooner or later, have a lucid interval, and perceive what a fool he has been made of, that he has only been the cat's paw to pull the Radical chestnuts out of the fire. He has been told that Protection means Toryism, and Free Trade means Radicalism. How can that be when in Republican France and Republican America—where every man is as good as his neighbour and a darned sight better—every man, from the President to the shoeblack, is Protectionist to the backbone? Why is this? Because their common sense tells them that home trade is of more value than foreign trade—that home labour enriches the community ten times as much as foreign—because they wish to keep their pennies as much as possible for their own workers. How can excessive competition be in favour of the poor man and against the rich man, when it diminishes the price the rich man pays, and diminishes the price the poor man earns?

"But competition means cheapness," say our friends of the Cobden Club, "and cheapness is the *summum bonum* of industrial life." But competition does not always mean cheapness. A great deal of it has for its object monopoly and eventual high prices. When foreign manufacturers, for instance, have secured a monopoly of our markets—which they certainly will do—do we suppose they will continue to give us cheapness? *Pas si bête*. They will charge us the highest price they can get. Excessive competition and starvation prices are synonymous terms: they mean scamped work and low wages. It is always so. It is ridiculous to argue, as I hear some do, that starvation prices means good quality. As well argue that want of food means good health. Anything that is ostensibly produced to be sold below cost is produced below the standard of quality. Excessive cheapness and good quality are incompatible, and those who cry out only for cheapness almost invariably find that what they save in cheapness they lose three or four times over in quality. And what, after all, is cheapness? Is it really the *summum bonum* of industrial

life? On the contrary, cheapness in many cases means only a low standard of life, not prosperity. Cheap places in all fully settled countries have always been those in which the working classes have been the most degraded and depressed, and cheap times those in which they have been most wretched. In the West Indies food for a week can be grown with two hours' labour; the negroes are idle and miserable beyond belief. Amongst the Moujiks of the Don wheat used to be so plentiful that it was burned for fuel. The misery and squalor of the people were without parallel in Europe. America is a dear country. Ireland is a cheap one. In one was country the workers pay dear for what they buy; in the other they don't buy at all! They go without. Under which conditions are they most prosperous? Is it not better to buy dear than not to be able to buy at all? In 1872-3, in the days of inflation, wheat was up to 74s a quarter, and every article of produce was tremendously high. Everybody was employed, every industry was prosperous beyond belief. This was the time Mr. Gladstone declared, triumphantly, that the prosperity of the country was advancing by leaps and bounds. Well, now in 1884 wheat is down to 30s a quarter, and every article of produce, raw and manufactured, is lower than it has ever been before, and never was there less employment, and such hopeless, absolutely hopeless, misery amongst all the industrious classes. When Dr. Johnson was told eggs were so cheap in the Hebrides that several might be bought for a penny, he said, "It is not that eggs are plentiful, but that pennies are scarce." So with stitching shirts, and making chain cables, and nails, and slop goods; work is cheap, because pennies are scarce, and this is the whole "Parable of Labour." Labour is cheap when pennies are scarce. Labour is dear when pennies are plenty. It is competition over competition that lowers the price of labour and makes pennies scarce.

Dr. Johnson's crofter had to give several eggs to get his penny, and many of our workers just now who want pennies have to give a great deal of work to get them. Prosperity means plenty of pennies in circulation; employment puts pennies in circulation; therefore employment means prosperity. When pennies are scarce then comes the cruel

competition to get them; then skulls are added to the necklace of Siva; but when pennies are plenty he gets no skulls. But why are the pennies scarce with us? Because we send too many of them abroad. We send our pennies to foreign operatives to manufacture for us, and we send our pennies to foreign labourers to grow our food, and we are short of pennies for our own workers at home. The only thing that can possibly alleviate the misery of impoverished industries is a combination of some kind that will check excessive competition. Any arrangement that would facilitate the buying up of the scores of small chain and nail makers, and combining them into a strong company with ample capital, would create a healthy, respectable industry, out of what is now a disgrace to humanity. It is their only chance, combination or extinction. These are the horns of the dilemma—combination or extinction. “Under which King, Bezonian? Speak, or die!”

“Happy work-people,” say the Free-Traders, “you do not realize the enormous blessings we have bestowed upon you; we have made work a question of secondary importance to you; we have put you into a position in which you can actually buy cheaper than you can produce. It is true you have no work, but then everything is cheap. Think what your position would have been if you had no work and everything was dear!” It does not occur to them that live and let live is the necessary condition of prosperity; that people are better off when what they require is at a fair price, and they have the money to buy it, than when it is below cost price, and they have no money to buy at all.

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